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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

JANUARY 17, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN
President

DR. Z. L. GOOSBY
Vice President

DONALD R. STEPHENS
SHARON B. DUVALL
PATRICK A. MURPHY

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

January 17, 1989

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Minutes
of the
Airports Commission Meeting
January 17, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Z. L. Goosby, Vice President Donald R. Stephens Sharon B. Duvall Patrick A. Murphy
Absent:	Morris Bernstein, President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meetings of December 6 and 20, 1988 were adopted by order of the Commission Vice President.

No. 89-0001

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Stephens recognized Jason Yuen's letter to the Commission regarding the \$1.00 Airport fee being charged to passengers of off-Airport rent-a-car courtesy vehicles. He said that that particular company made \$6.00 for the bus ride and that should be taken into consideration as staff comes up with a proposal on a gross receipts charge for off-Airport rent-a-car costs.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE;

The following items were adopted unanimously.

1. Solicit Proposals for Runway Modification Feasibility Study

No. 89-0001

This item authorizes the Director of

Airports, by Airports Commission resolution, to initiate a feasibility study to modify the existing runway systems to abate aircraft noise on surrounding communities.

Mr. Lou Turpen, Airport Director, advised the Commission that the San Mateo County Regional Planning Committee/Airport Land Use Commission voted to endorse a study for reconfiguring the Airport's runway system that could virtually eliminate noise on surrounding communities.

Mr. Turpen proposed that the study be undertaken in three phases, with the first phase to determine whether or not a runway reconfiguration would abate noise. If so, the second phase would determine what needs to be done, how it should be done, how long it would take and how much it would cost. Finally, the third phase would determine if the benefits would outweigh the costs, at which point an Environmental Impact Report would be undertaken.

Mr. Turpen said that this approval would cover all three phases and that he would brief the Commission upon completion of each phase.

Mr. Timothy Treacy of the San Francisco Airport Noise Committee told the Commission that his Committee opposes this study on the grounds that he felt that the purpose is to shift noise from San Mateo County to San Francisco. He said that the Airports Commission has never acknowledged that there is a noise problem in San Francisco. He felt that this kind of study should be part of the master plan. Mr. Treacy said that he also feared that this study was a move towards increasing capacity.

Commissioner Goosby told Mr. Treacy that the Commission has paid a lot of attention to this issue and is aware of the concerns of the community. He said that he has been to several community meetings himself. He asked Mr. Turpen if the Airport had a representative on the Noise Committee.

Mr. Turpen responded that Ron Wilson was the Airport's representative.

Commissioner Goosby felt that if the Noise Committee doesn't realize that the Commission is aware of the noise problem then there must be a communication problem between the Airport and the community.

Mr. Treacy commented that the Mayor had made a campaign promise to deal with the problem of overflights and he hasn't done a thing. He again stated that he opposed the study on the grounds that he felt that the Roundtable's intent is to shift noise to San Francisco.

Commissioner Murphy asked Mr. Treacy if he was suggesting that this study not be undertaken.

Mr. Treacy responded that it should not because it will increase noise in San Francisco.

Commissioner Duvall assured Mr. Treacy that this would be the Commission's study and no matter what the motives of others might be, it is not the Commission's intention to increase noise in San Francisco. It would make no sense to increase noise somewhere else. She told Mr. Treacy that this study would afford the opportunity to determine whether or not reconfiguring runways could reduce noise. She assured him, once again, that if this study were to indicate that noise could not be reduced overall, the Airport will not undertake the project.

Mr. Treacy thanked Commissioner Duvall for her assurances.

2. South San Francisco, Millbrae and San Bruno Home Insulation Funding
FY 89-90 (\$682,956.00)

No. 89-0002

Resolution authorizing the expenditure of funds by the Director for home insulation of approximately 273 residences in South San Francisco, Millbrae and San Bruno. Expenditure of approximately \$682,956.00 is limited to the following:

- a. 20% of the building insulation costs for each unit.
- b. Subject to the granting of a Noise Easement to the City & County of San Francisco for each unit insulated.

3. Authorization to Conduct Pre-Bid Conference:
Garage Taxi Staging Area Mobile Catering Leases

No. 89-0003

Commissioner Goosby asked if this item included only the mobile catering companies located in the garage. He said that he wanted to make sure this had nothing to do with the other mobile catering trucks.

Mr. Turpen assured Commissioner Goosby that it did not.

4. Authorization to Conduct Pre-Bid Conference:
International Terminal Cigarette Vending Lease

No. 89-0005

5. Authorization to Accept Bids:
North Terminal Hub Principal Concession Lease for Retail
Merchandise Sales

No. 89-0006

Ms. Angela Gittens, Deputy Director, Business and Finance, told the Commission that the California Shop has been included and the requirement has been increased so that it now starts at 25% MBE and 10% WBE, in recognition of this increased space for the concession.

Mr. Suzuki, in-house counsel for Duty Free Shoppers, requested that this contract not be bid until a decision has been made as to what will replace Expressions.

Mr. Turpen said that that is the ABC Cigar News and Gift location and staff will be proposing that that space be bid as a bookstore. He said that it would not be a problem to hold up the North Terminal Hub until the Commission votes on the bookstore.

Commissioner Goosby asked Ms. Gittens to explain the SBE issue and how the Airport's definition differs from the Human Rights Commission's definition, and the problems that have been created.

Ms. Gittens explained that the Airport's criterion for SBE is \$600,000 in gross revenues for a sole proprietor and \$2-million for a company or group of individuals. The Human Rights Commission's definition is \$2-million, whether for an individual or a company.

Ms. Gittens said that the North Terminal Hub was originally bid before the MBE/WBE ordinance so HRC simply used the Airport's definition. Although HRC now claims that they will not certify based on our definition, Ms. Gittens said that that has not been a major problem. In any case, we have eliminated the SBE requirement for subleases for the North Terminal Hub principal concession, so a sublessee does not have to be a small business.

Commissioner Duvall asked why the expression "good faith" was used in item 10 on page 5.

Ms. Gittens responded that that language was a major bone of contention in the previous contract and led to our having to throw out three bids. In order to avoid trouble, we have deferred to HRC's definition.

Commissioner Goosby commented that that language was used because when the ordinance was drafted there was concern that a subleasing requirement would constitute a quota.

Ms. Gittens remarked that based on HRC's interpretation of the ordinance, if an MBE wins the bid they must still sublet to an MBE.

Commissioner Duvall asked what the MBE/WBE percentage is at the Airport.

Ms. Gittens responded that the percentage is 22% since the program began, however, if all concessions are included, we are only talking about 4%. She explained that the reason for this is that some concessions, such as the rent-a-cars, garage and food and beverage, were awarded prior to the programs inception and therefore have no participation.

Commissioner Stephens asked about Duty Free.

Ms. Gittens responded that they were not participants.

Commissioner Stephens asked when the duty free lease would be re-bid.

Ms. Gittens responded that the specifications are going out next week. She said that there is no proposal for subletting duty free because when staff looked into it there did not seem to be any meaningful way of doing it that would be consistent with the Commission's views. She explained that in some of the programs staff has examined, although the subtenant gets its share of the revenue they don't have any management control due to the nature of the business.

Commissioner Stephens asked if the highest bid must be accepted, even if it is only 10¢ more.

Ms. Gittens responded that it must be accepted.

Commissioner Stephens said that he is aware of a minority joint

venture company that might bid and asked if they would receive a preference.

Ms. Gittens responded that they would receive a 5% preference.

Commissioner Stephens asked which airports have these subtenant arrangements for duty free concessions.

Ms. Gittens responded that Dallas/Fort Worth has this arrangement, and possibly Miami as well.

Mr. Turpen said that staff will conduct a survey and report back to the Commission.

Item No. 6 was put over.

6. Hotel-Motel Advertising and Cable Car Message Sign Authorization to Implement Airports Operation

Mr. Turpen directed Ms. Gittens to meet with Ackerley Airport Advertising to explore their concerns prior to the next Commission meeting.

Item No. 7 was adopted unanimously.

7. Rejection of All Bids and Authorization to Re-Bid Contract 2024R: Carpet Replacement Buildings 646 and 676

No. 89-0007

Resolution rejecting all bids received on December 21, 1988 and authorizing the Director to re-bid.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

8. Resolution Modifying Lease & Use Agreement - Northwest Airlines, Inc. - Modification No. 3

No. 89-0008

Commissioner Goosby asked if Northwest received a rental credit when they built this space.

Ms. Gittens responded that these costs were incurred when Republic was going into its Phase III space and therefore it was at their sole cost.

Mr. Turpen told the Commission that he would not have made the recommendation to buy them out had there been rental credits. He added that this way we gain control of the space.

9. Resolution Authorizing a \$1,154,976 Reimbursement to Northwest Airlines, Inc.
- No. 89-0009 Resolution authorizing a \$1,154,976 reimbursement to Northwest Airlines, Inc. for the unamortized value of their improvements in their vacated leased premises.
10. Resolution Acknowledging the Assignment of Lease 82-0120 and Associated Permits from USAir Group, Inc. to USAir, Inc.
- No. 89-0010
11. Close Out Contract 1416-C: Delta Airlines Facilities, Boarding Area 'C'
- No. 89-0011 All work under contract has been completed. Adjustment of \$55,268.33 for extra work performed is required to fix final contract price at \$4,916,194.37. Delta Airlines will reimburse Airport \$35,028.53 for this extra work.
12. Bid Call - Contract 2163: Airport Fuel System - Repair and Related Work Year 1989-1990
- No. 89-0012 Resolution approving the scope, budget and schedule for Contract No. 2163 and authorizing the Director of Airports to call for bids when ready.
13. Supplementary Construction Funding Contract No. 1464: Boarding Area 'B' Apron Extension
- No. 89-0013 Resolution to approve supplementary construction funds.
14. Resolution Ratifying Personnel Actions
- No. 89-0014 Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. PUBLIC HEARING:

The public hearing was convened at 9:45 AM and closed at 9:46 AM, there being no requests from the public to speak.

15. Proposed Fiscal Year 1989-90 Budget

Mr. Turpen told the Commission that staff will meet with the Airline Affairs Committee tomorrow to discuss the budget. The Commission will receive a summary of the comments made at that meeting prior to the February 7 Commission meeting.

* * *

H. NEW BUSINESS:

There was no discussion.

* * *

I. CORRESPONDENCE:

There was no discussion.

* * *

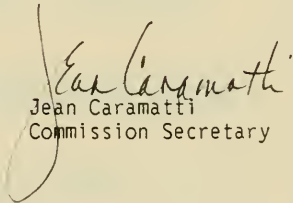
J. CLOSED SESSION:

There was no closed session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:47 AM.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

FEBRUARY 7, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

February 7, 1989

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G.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
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Minutes
of the
Airports Commission Meeting

February 7, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	Z. L. Goosby, Vice President
	Donald R. Stephens
	Sharon B. Duvall
	Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of January 17, 1989 were adopted by order of the Commission President.

No. 89-0015

* * *

D. SPECIAL ITEM:

1. Dedication of Howard A. Friedman Court

No. 89-0016

Mr. Lou Turpen, Airport Director, said that in light of the many contributions made over the years by Howard Friedman to the Airport, staff is recommending that the courtyard in the South Terminal, lower level triangle be named his honor. Mr. Turpen said that there will be a small dedication ceremony.

Commissioner Goosby said that he was pleased. He also commented that nothing, as yet, has been done for former Mayor Feinstein.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

2. Airports Commission Budget FY 1989/90

89-0017 Resolution approving the proposed FY 1989/90 budget.

Mr. Turpen explained that the only modification is the deletion of \$90,000 for the RIDES program. Based on an assessment of the advantages of this program staff did not feel that the expenditure was warranted.

3. Effective Date Change for Ground Transportation Fee Increase

No. 89-0018 Approve attached resolution delaying the effective date of the first rate increase for the ground transportation carriers from May, 1989 to June 1, 1989.

Mr. Turpen said that consistent with the Commission's desire to ensure a full trial period, the implementation date for the 70¢ fee has been changed. He said that the times have been adjusted based on problems with the installation of the system and basic delays in terms of the software. The \$1.00 rate will still become effective at the end of the year.

4. Approval of Professional Services Agreement with Gordon H. Chong and Associates, Inc., to Provide Architectural and Engineering Services for Contract No. 2106, Additions to Boarding Area 'B'

No. 89-0019 Resolution approving agreement to provide services for the design and preparation of construction documents to enlarge gate rooms, and add concessions, VIP Room and public restrooms in Boarding Area 'B' for Continental and Eastern Airlines. Construction Budget: \$6,200,000. Professional Services Budget: \$350,000.00

5. Bid Call - Contract No. 2173: Federal Inspection Services New Processing Stations

No. 89-0020 Resolution approving the scope, budget and schedule for Contract No. 2173 and authorizing the Director of Airports to call for bids when ready.

Mr. Turpen said that this will help enhance our customs arrivals capability this summer. Because it has to be in place by June 1, this item is unusual in that it authorizes the Director to bid the contract, accept the bid and complete the work. The June 1 date cannot be met if staff goes through the normal City cycle.

Commissioner Goosby asked if the number was being increased, or, if this was simply a remodeling effort.

Mr. Turpen responded that the number of primary stations was being increased along with the number of customs and immigration agents. He added that this is part of a several step process currently being worked on to improve customs/immigration processing at the Airport during the peak summer months.

Commissioner Duvall asked how many processing stations were currently in place.

Mr. Turpen responded that there were currently 20 stations.

6. Long Distance Carrier for Pacific Bell Public Payphones

No. 89-0021 Resolution authorizing Director to issue one year agreement with AT&T for long distance service for Airport's Pacific Bell Public Payphones.

Mr. Turpen said that this extension would allow staff the time to bid the Airport's long distance carrier service at the Airport.

Commissioner Stephens asked if this was for pay telephones or Airport Administration telephones.

Mr. Turpen responded that this was for pay telephones.

Commissioner Stephens asked if the Airport received a fee.

Mr. Turpen responded that we do. Extending the current contract will give staff the necessary time in which to send out an RFP and to determine the types of available revenue.

Commissioner Bernstein did not approve of the length of the extension.

Mr. Turpen explained that the Airport will receive an additional 12%, or about \$400,000 in additional revenue. If nothing is done, it will continue at the old rate. He said that it's not possible for staff to bid this contract under the current system within the next several months. Staff felt that the additional revenue was worth the year extension.

Commissioner Duvall asked if these revenues were included in our budget.

Ms. Gittens responded that they were not.

Commissioner Bernstein again said that he was not comfortable with the one-year extension. He felt that this must be a very lucrative business and will be quite a contract.

Mr. Turpen said that that is exactly why it will take so long to bid. He said that this is a highly competitive environment and he believed that once it was opened up there will be heavy participation at all levels of the process. He felt that that degree of participation justifies the one-year extension.

Commissioner Stephens asked if this was a large contract for the Airport.

Ms. Gittens responded that if we can get \$400,000 from AT&T without a bid, we should be able to get that from anyone.

Ms. Gittens explained that this is for the commission on long distance calls from AT&T on PT&T phones, unless the customer selects a different long distance carrier. In other words, if a customer simply places a long distance call without selecting a specific carrier, the call will be placed with AT&T, the default carrier.

Commissioner Bernstein asked when the year will expire.

Ms. Gittens responded that it will expire approximately one year from now. Staff will begin working on it and in about three or four months, as staff starts to receive information from this system, as well as inquiries from others, the specifications can be developed. She said that staff's current problem is that although there are a lot of companies purporting to provide this service specifications must be developed to meet our service requirements.

Mr. Turpen said that the Airport has 30-million passengers and about 100-million users a year who should be able to access a system. Criteria must be developed to ensure that the successful bidder can meet the demands in terms of the volume of calls and level of service.

Commissioner Bernstein asked how much the Airport receives for local calls.

Ms. Gittens responded that the Airport receives about \$430,000 for local calls.

Commissioner Bernstein said that this contract generates at least \$800,000 annually in revenue to the Airport.

Mr. Turpen said that the new bid will generate more.

Commissioner Stephens asked if the Airport receives revenue in the event the caller selects an alternative long distance carrier.

Ms. Gittens responded that the Airport currently receives 3¢ a minute on a PT&T long distance call. What we will receive on another long distance phone will be a subject in the bidding process.

Commissioner Stephens asked if the Airport would receive any revenue from an alternative long distance carrier.

Ms. Gittens responded that we would receive 3¢ per minute from Pacific Telephone but nothing from the alternative long distance carrier.

Commissioner Stephens said that if the long distance call goes to the default carrier then the Airport receives a lot more than 3¢ per minute.

Ms. Gittens responded that that was correct.

Commissioner Stephens said that the Airport must be sure that the successful bidder is one of the major companies. A high bid from a small company would most likely result in a lower dollar volume as more customers would be selecting their own carrier rather than the default carrier.

Mr. Turpen said that that would seem to make sense.

7. Authorization to Conduct a Pre-Bid Conference for Hotel/Motel and Cable Car Advertising Agreement

No. 89-0022

Mr. Turpen said that this item was put over at the last meeting in order to provide the opportunity to work out some details.

Commissioner Duvall said that it was her understanding that this was primarily a public service, although it was originally conceived as a revenue generating source.

Mr. Turpen responded that revenue generation is still the intent, but it has moved towards public service.

8. Bid Call - Contract No. 1947:
North Detention Pond, 20-Inch Water Main Installation

No. 89-0023

Resolution approving the scope, budget and schedule for Contract No. 1947 and authorizing the Director of Airports to call for bids when ready.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 9 was put over to the next meeting without discussion. The remainder of the Consent Calendar was adopted unanimously.

9. Modification No. 2 to Eastern Airlines Lease and Use Agreement No. 82-0116

Modifies Eastern Lease and Use Agreement by relinquishing the demised property back to the City.

Mr. Turpen asked that this item be put over as there is some question as to relinquishment and proper documentation.

10. Modification No. 3 to American Airlines Lease and Use Agreement No. 82-0111

No. 89-0024

Modifies American Lease and Use Agreement by relinquishing 300 square feet of Category I space back to the City.

11. Award of Contract No. 2086:
Lomita/Millbrae and Central Pump Stations Repairs

No. 89-0025

Resolution awarding Contract No. 2086 to Power Engineering Contractors, in the amount of \$141,700.

12. Approval of Claims Settlement

No. 89-0026

Resolution approving the settlement of claims not exceeding \$5,000.00 for the period July to December, 1988. Total claims: \$11,286.10.

13. Professional Services Agreement with Athena Tsougarakis - \$5,000.00

No. 89-0027

Resolution authorizing an agreement with Athena Tsougarakis to (1) serve as the Airport's representative on the Joint Airport/Arts Committee and (2) provide consultation on the Airport's ground transportation program.

14. Travel/Training

No. 89-0028

Resolution authorizing travel/training for Airport representatives to attend conferences and seminars.

* * *

H. NEW BUSINESS:

Commissioner Goosby asked for an evaluation of the City Attorney's opinion of the recent Supreme Court decision at the next meeting.

Mr. Turpen said that the Commission should have received his memorandum on the variances which were denied. He said that he called the Chairman of the Board and President of Braniff and sent a registered letter as well. Mr. Turpen said that he explained to the Chairman of the Board's administrative assistant that Braniff would not be operating at San Francisco Airport on April 2. He has not bothered to call back. Mr. Turpen said he will continue to keep the Commission advised of any progress. He said that staff has met with Canadian and spoke with Northwest. He told the Commission that everyone is well aware of the requirements.

Commissioner Goosby said that the Master Plan does not clearly identify the plan anticipated for the cargo area. He asked if further development was being considered.

Mr. Turpen responded that staff intentionally structured the Master Plan in this way in order to bring the communities along during its development. Staff will have specific projects sometime in March or early April and it will be at that point that the Commission will begin to see the type of detail normally expected of a Master Plan. The next working paper will offer more information as to the physical changes that will be made at the Airport based on the demands that have been forecasted. He said that more detail will be seen in the cargo area.

Commissioner Bernstein asked Mr. Turpen if the study on the Garter snakes has been completed.

Mr. Turpen responded that it has not yet been completed and we are still in the mitigation phase. More studies are being done and at the conclusion some type of mitigation plan will be developed and will clearly identify those portions of the West of Bayshore property which will be useable.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. CLOSED SESSION:

There was no closed session.

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 AM.


Jean Caramatti
Commission Secretary

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MINUTES

FEBRUARY 21, 1989

ART AGNOS, MAYOR COMMISSIONERS

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Vice President

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission
February 21, 1989

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Minutes
of the
Airports Commission Meeting

February 21, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Patrick A. Murphy

Sharon B. Duvall arrived at 9:05 AM

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 21, 1989 were adopted by order of the Commission President.

No. 89-0029

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby said that the letter the Commission received from the Airport Noise Committee raised a number of questions. He asked if any of those questions were spelled out in the RFP approved by the Commission.

Mr. Turpen responded that while every specific question will not be outlined in the proposal, they will be addressed. Staff will hold public meetings at the beginning of the process in order to establish those questions and concerns up front.

Commissioner Goosby asked if the Airport Noise Committee is being kept apprised of each step in the process.

Mr. Turpen responded that Ron Wilson, as the Airport's designated appointee to the Committee, is keeping them up to date.

Commissioner Goosby wanted the fact established that the Commission and the Airport are not adversaries in this issue and are working towards the same goal.

Mr. Ron Wilson, Director of Airport Community Affairs, told Commissioner Goosby that that point has been made on a number of occasions, but not without difficulty.

Mr. Turpen explained that this is a difficult situation as the members of the Noise Committee are new to this arena and must be educated on the subject. He said that skepticism is not uncommon in this type of situation.

Commissioner Goosby said that when he was on the School Board Mayor Alioto was an expert at explaining issues to the press, what he intended to do, the rationale behind it and the time frame, long before any point of controversy was reached. He suggested that it might be a good idea if the Airport met with the press once or twice a year in order to explain where the Airport is in terms of the noise issue and what steps are currently being taken to alleviate the problem.

Commissioner Stephens said it was his understanding from correspondence he has received that Braniff is being allowed to continue to operate at the Airport.

Mr. Turpen responded that that was not correct. He explained that the Commission gave each of the non-compliant airlines until April 1 to come into compliance. He said that non-compliance might mean that a particular airline would no longer operate at SFO. The Commission further gave Mr. Turpen the authority to extend the date from April 1 to July 1 in specific instances where compliance might occur on a date within the extension. He said that Braniff has provided the Airport with new information that they will not be able to achieve compliance by the July 1 deadline but can be in compliance by September 30. Braniff will forward an official request to the Commission through his office. It will most likely be brought before the Commission at the March 21 Commission meeting. At that time the Commission will be obligated to either grant or deny Braniff's request.

Commissioner Stephens said that he remembered the letter as indicating that Braniff had ordered three (3) stage III aircraft to be delivered in June and dedicated to San Francisco. He understood that they would be in compliance by the end of June.

Mr. Turpen said that he spoke with Braniff officials as recently as the end of last week and he did not anticipate that they will be in compliance until the third quarter.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Items 1 through 6 were adopted unanimously.

Commissioner Duvall arrived at the call of this item.

1. Request for Proposals: Self-Service Luggage Carts

No. 89-0030

Resolution authorizing Director to solicit proposals for a self-service luggage cart system.

Mr. Turpen said that the cart proposal has been extremely controversial. Staff has tried to structure an outline which

reflects the Commission's and Administration's current intent, that intent being to provide free carts to arriving international passengers and at the same time minimize the cost of such an effort. The bid has been constructed so that the Airport would rent cart dispensers and offer free carts in the international arrivals area, while a fee would be charged for carts in the domestic areas. Staff is looking for a bid amount, either plus or minus, which would reflect that theme.

Mr. Turpen said that if there is a change in the basic scheme the Commission wishes to pursue then staff's proposal must be amended. Staff has been unsuccessful with potential bidders for cart concessions in the past. He recommended moving ahead with a pre-bid conference for a request for proposals. Although this is 18-months prior to the contracts termination date, it will give staff the opportunity to determine what interest can be generated. That will help to determine whether or not a free cart system in customs arrivals should be continued.

Commissioner Goosby said that the Airport is paying approximately \$1-million a year to subsidize free carts in customs.

Mr. Turpen said that as there are currently no restrictions on a customs cart, a passenger can return that cart to any dispenser in the garage and receive 25¢.

Commissioner Goosby said that the 25¢ rebate is not reflected by the figures. He said that when the Commission first considered free carts in customs, the yearly estimated cost was \$500,000. He asked if the Airport could legally request RFP's when the Charter and the Administrative Code require a bidding process for contracts anticipated to be over a certain dollar amount. He thought that the exceptions to this rule are professional service contracts for attorneys, engineers, architects, etc.

Mr. Don Garibaldi, Airports General Counsel, explained that the applicable Charter section specifically relates to Airport concessions. It says that where the concessionaire is going to be given exclusive space on the Airport, then it must be competitively bid and awarded to the highest responsible bidder. The way this bid is structured there will be no exclusive space given to the luggage cart operator. It was written that way intentionally so that RFP's could be requested rather than going out for bids.

Mr. Garibaldi said that although it will be an exclusive operation the operator will not have exclusive space. The cart dispensing machinery will be in the possession of the Airport, not the luggage cart operator. Part of the arrangement is that the operator will lease it to the Airport and we will occupy the space, not the luggage cart operator.

Commissioner Goosby said that if the Airport retains control of the ticket dispensing machines in the garage, then the garage contract does not have to be bid either.

Mr. Garibaldi said that the Airport does own the machinery in the garage and the garage contract is a management contract.

Commissioner Goosby argued that Mr. Leonoudakis had to bid on it.

Mr. Garibaldi that that is correct.

Mr. Turpen said that staff has done its best to generate interest in this contract but unfortunately only one company has demonstrated any interest in providing this service.

Commissioner Bernstein commented that the Airport pays a high premium for unrestricted cart use. He said that theoretically Smarte Carte nets 67-1/2¢ per cart. They receive \$1.00 and 25¢ is refunded with 10% going to the Airport, for a net of 67-1/2¢. The Airport pays \$1.00 net.

Commissioner Murphy asked how the \$1-million is calculated.

Mr. Turpen responded that it is calculated per cart use. The Airport reimburses Smarte Carte \$1.00 per cart, the amount it would receive from the passenger. He explained that this began back in 1983 during the original contract. As the contract was clearly in place and the Airport was not in a position to change it, the Airport went to a test in 1983 or 1984 for a period of 30 or 90 days and offered free carts. Staff discovered that useage was up dramatically over the pay cart system as passengers began taking two and three carts per family instead of a single cart. In 1985, when the option for this contract came up, the Commission granted it with the proviso that the Commission could require free carts in the customs arrivals area and would pay the passenger fee to the company. That clause was put into effect in either 1986 or 1987.

Mr. Turpen told the Commission that every airport offering free carts that staff contacted reported a \$1-million price tag. We knew it would cost \$1-million per year.

Mr. Turpen said that this proposal is trying to establish whether or not this system can be continued and, if it can, to minimize the cost. He felt that if there is a way this mechanism will ferret it out. If there isn't, the Commission will have to take another look at whether it wants to pay for that level of service, or, change the service we're offering.

Commissioner Murphy asked if our cost was comparable to Heathrow's.

Mr. Turpen said that Heathrow was paying about \$1.7-million a year and New York was about \$1.2-million a year.

Commissioner Bernstein said that the Airport is generating an enormous loss just to accommodate one group of passengers.

Mr. Turpen said that there is a lot of history to this issue. From a customer service standpoint the concept of providing a free luggage cart in the customs arrivals area is good. SFO is now the only major Airport in the United States providing this service for free. SFO was the first major airport to go to pay carts. Then everyone else went to pay carts and we reversed the trend and went to free carts. The question is, how much are you willing to pay for this welcome?

Commissioner Duvall asked if we've considered operating the service ourselves.

Mr. Turpen said that that has been considered and there are several issues involved that make it an unattractive alternative. In addition to the option of running the operation ourselves, staff has looked at buying carts and putting someone else in business, as well as every scheme imagineable. The one scheme that was clearly rejected, and the one he himself is against, is providing free carts in customs but confining them to the customs area.

Commissioner Murphy agreed that that did not make sense. He asked if staff has looked at providing a different style cart in customs, free of the contract, which the Airport would own. This cart would be distinctive and would not be mixed with Smarte Carte's carts. He said that bonded employees could be hired to return them to customs.

Mr. Turpen said that staff has looked at that and the concern was retrieving and separating the two types of carts over 5-million square feet of Airport space. There were several issues that made blending the two systems impractical. The other problem is that because the carts are free, useage has risen dramatically. We are talking about 1-million carts a year that are being retrieved and between 500-600 must be kept in customs at one time.

Commissioner Murphy said that he understood the problems involved but he felt that almost anything would be better than paying \$1.00 per cart to Smarte Carte.

Mr. Turpen said that the Commission must keep in mind the circumstances that existed at the time that decision was made. He felt that that provision was made without the intent to utilize it.

Commissioner Bernstein said that the theory was that travelers who had just spent a large amount of money on airfare didn't have an American dollar and therefore couldn't buy a cart.

Commissioner Murhpy said that he felt that the more compelling argument was that free carts were available in other major airports in the world. He cited Heathrow as the classic example.

Mr. Turpen said that international airports typically provide free carts. The major domestic airports, Chicago, Houston, L.A., have been moving towards a pay cart system. L.A.'s Airport Commission has gone through the same pay vs free cart discussions as we have and they have returned to a pay cart system.

Commissioner Bernstein felt that the numbers require a complete study. He thought it was disgraceful to lose \$1-million on a service like this. He said that free services usually breed hatred and dislike, not good will.

Commissioner Goosby said that Smarte Carte agreed to provide an employee in Customs to change money or offer a free cart to those passengers unable to buy one. He said that it was subsequently found that Smarte Carte was not very diligent in providing such employees.

Ms. Angela Gittens, Deputy Director, Business and Finance, said that Smarte Carte did provide that service however the Airport changed the decision that had been made. She said that that trial period only lasted one month to six weeks before the move to free carts was made.

Commissioner Goosby said that staff should be looking at the option of providing such an employee in customs to offer a free cart to passengers who do not have \$1.00.

Mr. Turpen said that his views on free carts have been well-documented. The concept of free carts as a service is unique at San Francisco Airport and we have prided ourselves in being unique as an airport and the service that we provide. On the other hand, the expenditure is particularly troublesome. He said that staff hopes to generate an interest in prospective bidders to continue with this service at a more reasonable cost. If not, staff will return with another package which will reflect the Commission's wishes.

Commissioner Murphy said that this is simply a request authorizing staff to seek proposals. The proposal will retain the option to the Commission to continue to provide free luggage carts in the International customs arrival area if the Commission elects to do so.

Commissioner Duvall said that a question should be added to the Airport's usage and attitude survey specific to the international traveler with respect to the relative importance of free luggage carts.

Mr. Conrad Solberg, Smarte Carte, told the Commission that his company operates in over 70 airports and they are committed to working with Airport management and the Commission. He said that in the other 70 airports that they service, passengers pay \$1.00 per cart and receive 25¢ for a return. SFO is the only exception. He said that although they are willing to work within the Airport's wishes they do feel that this system automatically increases cart usage by 60% to 80%, thereby raising the cost. He said that additional carts are required and their liability insurance incidence goes up with these additional carts. He emphasized that they are willing to proceed under whatever system the Airport wants.

Mr. Solberg said that they are proponents of the user-pay system. At LAX and JFK, their other large international arrivals areas utilizing the pay cart system, Smarte Carte has kept track of how many passengers lack the appropriate currency. If the Airport goes back to a user-pay system, Smarte Carte is willing to provide an employee in customs to make change for passengers for whatever length of time is necessary. In addition, they are developing equipment to accept a variety of foreign currency.

Commissioner Goosby asked if the other international airports they service have the user-pay system.

Mr. Solberg responded that there is a user-pay system in each of the 22 international arrivals areas they service. He added that Heathrow currently operates a free cart system but they are looking at a user-pay system.

Mr. Turpen said that the Airport is experiencing larger volumes in the international arrivals area and access to carts under the current system is better than it would be under a system where a passenger would first queue up to get change and then to get a cart. He asked for the opportunity for staff to take a look at this and return to the Commission with options.

Commissioner Murphy said that what is important is that carts are available. Whether they are free or not is secondary. He also felt that most people who arrive at SFO have \$1.00.

2. Reallocation of \$7,969,998 of Series D Bond Funds

No. 89-0031	Request for approval to reallocate \$7,969,998 of Series D bond funds to the groundside cost center.
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Commissioner Goosby asked how much was left of the Five Year Plan.

Ms. Gittens responded that \$4-million remained from other sources.

Commissioner Goosby asked what capital improvements remained for the approximately \$12-million left in the fund.

Ms. Gittens responded that approximately \$65-million remained on the plan.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and

Maintenance, added that unlike the M&R Program for the terminals, the Five Year Plan is constantly evolving and updated every year. He said that the Five Year Plan never ends, with facilities being replaced and modernized every year.

Mr. Turpen added that \$15-million to \$20-million per year is put into capital facilities whether for replacement or modernization.

Commissioner Goosby asked if another bond issue was anticipated for later this year.

Ms. Gittens responded that one was anticipated, depending on the development of the master plan. A bond issue is not anticipated for the routine capital plan items.

Mr. Turpen said that the master plan will be above and beyond any routine on-going capital maintenance project. He said that there are two plans. If the Airport is not involved in any major developmental work, i.e. the \$600-million modernization program which was just completed, it is involved in routine capital expenditures for facility maintenance, and maintenance of roadways, taxiways, runways, etc.

Ms. Gittens said that a modification to the plan will be presented at the next meeting at which time the Commission will be brought up to date.

3. Exercise Option of Airport Parking Management Operating Agreement

No. 89-0032

Resolution exercising fourth one year option for the Airport Parking Management Operating Agreement.

Mr. Turpen explained that this item requests approval for the fourth of five one-year options for Airport Parking Management, under the current operating agreement. Airport Parking Management. Subsequent to the Commission's approval, a Prop J analysis will be done and forwarded to the Board of Supervisors under the City requirement that a determination be made that this operation is cheaper to do by contract rather than in-house.

Commissioner Bernstein asked if audits are performed.

Ms. Gittens responded that financial audits are performed twice a year on this contract. Operational audits are performed once or twice a year as well.

Commissioner Goosby asked if this is the biggest grosser on the Airport.

Ms. Gittens responded that it is.

Mr. Turpen added that approximately 5 to 5.2-million vehicles use the garage each year. On a particular day over the holidays approximately 27,000 vehicles entered and left the garage.

Commissioner Duvall assumed that these options are tied to certain performance criteria and that was the purpose for staging the agreement on a series of five one-year options.

Mr. Turpen responded that it is handled this way due to a legal impediment. The Airport cannot issue the contract for more than one

year at a time. This is a management contract where the revenue flows to the City and the Airport reimburses the operator for expenses. He said that the bid amount is a percentage plus expenses.

Commissioner Goosby added that prior to this it was bid as a straight concession. The Airport now has control under the management contract.

Mr. Turpen said that the nice part of the contract as it is presently structured is that we have a lot of control in terms of authorizing additional cashiers, security, custodians, etc. He said that this system has been in place for eight or nine years and has worked well. Complaints from the public have been minimal.

4. On-Airport Rental Cars: Lease Extension

No. 89-0033	Resolution authorizing a one-year
No. 89-0034	extension for the concession
No. 89-0035	agreements with the five On-Airport
No. 89-0036	Rental Car operators.
No. 89-0037	

Mr. Turpen said that this item requests five one-year lease extensions under the same conditions on the five rent-a-cars. The Airport is presently in the middle of the master plan which will effect the long term or intermediate term location of the rent-a-cars. He said that by waiting a year it would give the operators a better idea of what they're bidding on. It would be premature to move ahead now as plans have not been finalized with respect to how rent-a-cars will be handled in the future.

Commissioner Murphy asked if the rent-a-cars pay a percentage of gross revenue as rent, or, a percentage of gross revenue and site location rent.

Ms. Gittens responded that they pay 10 percent of gross revenue plus rent on counter space and the land they occupy.

Commissioner Murphy asked if this proposal will renew both counts.

Ms. Gittens responded that it would. She explained that the ticket counters and the land they occupy are on 30-day permits.

Commissioner Murphy asked if the \$13,607,692 figure is just the 10 percent.

Ms. Gittens responded that that was correct. The rent on the land and the ticket counters comes to about \$300,000 per year.

5. Authorization to Conduct a Pre-Bid Conference for Operation of Public Lockers and Over-the-Counter Baggage Storage Services

No. 89-0038	Resolution authorizing a Pre-Bid
	Conference for operation of Public
	Lockers and Over-the-Counter Baggage
	Storage Service.

Mr. Turpen explained that this is a renewal of the public locker contract as well as the long-term baggage storage area which the Commission authorized. The percentage rates will remain the same.

Mr. Turpen thanked Amlock, formerly American Locker, for their tremendously responsive attitude when, due to certain world tensions, the Airport asked them to close the lockers in certain areas and relocate them. Amlock responded immediately and positively. Their first response was to move ahead and do it and then talk about how that would effect their contract.

6. Authorization to Permit Video Games in the International Terminal

No. 89-0039	Resolution authorizing a permit for the installation of Video Game machines in the International Terminal on a trial basis.
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Mr. Turpen said that permits are not authorized without the Commission's consent. This game room will be installed on a temporary basis in order for staff to evaluate its viability. If the idea appears to be sound, staff will proceed on a more formal basis.

Commissioner Stephens asked where the game room will be located.

Ms. Gittens responded that it will be located in an area where there are currently vending machines.

Ms. Gittens said that the proposal is to have the current vendor in the North Terminal operate this service on a month-to-month permit.

Commissioner Duvall asked how much revenue they currently generate.

Ms. Gittens responded that the North Terminal operation currently generates about \$100,000.

Commissioner Duvall asked if there are any security issues.

Ms. Gittens responded that the game rooms are staffed during operating hours.

Mr. Turpen added that no problems have ever been brought to his attention. He said that this month-to-month permit would not be authorized for more than six months. At the end of that period staff will return to the Commission with their findings.

Commissioner Goosby asked how staff arrived at a video game room as opposed to a hot dog stand or a newsstand.

Ms. Gittens said that staff would like to place a hot dog stand in that area as well, however, that's been held up by other issues. Staff does not feel that a newsstand is important in that area. She said that staff found that there are typically a lot of kids and young people in that area.

Ms. Gittens said that there is a flower cart in that area in the summertime and that has done well.

Mr. Turpen said that since San Francisco is on the cutting edge of Airport concession programs there is no benchmark from which to evaluate whether or not a particular concession will do well in a given area. Because of that staff is often placed in a position of taking a look at the market and anticipating the viability of particular concessions.

Commissioner Duvall asked if staff had plans for food service in that

area. She said that her own personal experience indicates that a food and beverage facility is needed in that area.

Ms. Gittens said that the Host option proposal calls for an arrivals snack bar concept. Staff will move ahead with that concept whether the option is granted or not.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

7. Resolution Ratifying Personnel Actions

No. 89-0040	Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.
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8. Award of Contract No. 2024:
(R2), Carpet Replacement Buildings 646 and 676

No. 89-0041	Resolution awarding Airport Contract No. 2024 (R2), Carpet Replacement Buildings 646 and 676.
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9. Bid Call - Contract No. 2067:
Timber Pile Repair, Runway Approach Light Trestles

No. 89-0042	Resolution approving the scope, budget and schedule for Airport Contract No. 2067 and authorizing the Director of Airports to call for bids when ready.
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10. Modification No. 2 to Continental Airlines Lease and Use Agreement
No. 82-0316

No. 89-0043	Modifies Continental Lease and Use Agreement by relinquishing 71 square feet of Category I space back to the City.
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11. Declaration of Emergency:
International Terminal 8" Diameter Sewer Line Repair

No. 89-0044	Resolution ratifying the action of the President of the Commission in declaring an emergency because of a sewer line failure at the International Terminal and directing the Director of Airports to effect the necessary repairs.
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G. NEW BUSINESS:

There was no discussion by the Commission.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:45 AM to go into closed session.


Jean Caramatti
Commission Secretary

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Airports Commission

March 7, 1989

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Minutes
of the
Airports Commission Meeting

March 7, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duvall
Patrick A. Murphy

* * *

J. CLOSED SESSION:

The meeting recessed at 9:01 AM to go into closed session and reconvened at 9:17 AM.

* * *

C. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 89-0045 and 89-0046 regarding the settlements of litigated claims at the closed session of February 21, 1989.

* * *

D. DIRECTOR'S REPORTS:

1. Status of Denied Variances - Verbal Report

Mr. Lou Turpen, Airport Director, reminded the Commission that Northwest, Canadian and Braniff were denied variances to operate at San Francisco International Airport. He said that Braniff and Canadian have requested the Commission's reconsideration. Those requests for reconsideration have been forwarded to the Commission under separate cover and will be scheduled for Commission consideration on March 21, 1989.

Mr. Turpen said that Braniff is asking for a 90-day variance in order to put new aircraft on-line in San Francisco. Canadian's request is more involved and he said he would communicate his views on that request in the next week to ten days. He said that although official word has not yet been received from Northwest, he has heard unofficially that they will come into compliance by April 1st with a stage III nighttime operation.

Mr. Turpen said that his initial reading of Canadian's letter is that they have simply restated their previous position. He will have to examine it more closely to determine whether or not there is any substantial change that would warrant the Commission's favorable review of their request for reconsideration.

Mr. Turpen addressed the issue of the Airport's Vehicle Identification System and told the Commission that the system is presently in operation and staff is very pleased. The Commission has been provided with a time-sequence printout of activity by vehicles which are required to participate. He said that there are a number of reports which can be generated by this system. It is his understanding that these reports can be called up from a menu and he hoped to have examples of some of the types of reports on specific companies, specific numbers of trips, specific hours, etc. within the next few weeks.

Commissioner Duvall felt that the most helpful type of report to the shuttle bus operators would be a report on the number of trips by vehicle. She said that she would be interested to see one of them.

Mr. Turpen said that this system is an excellent management tool. The number of recorded trips has surpassed even staff's expectations.

Commissioner Goosby asked how much this system cost.

Ms. Angela Gittens, Deputy Director, Business and Finance, responded that it cost \$200,000.

Mr. Turpen added that this was a good investment and the Airport will recover the cost in a short period of time.

Commissioner Duvall asked if these reports were being submitted to the operators.

Mr. Turpen responded that each company will receive its own listing so they can examine the activity of their personnel.

Commissioner Stephens asked if the printout will be sent with the bill.

Mr. Turpen responded that it would.

2. Report on Commission Policy on Airline Leases - Verbal Report

Commission policy regarding provisions in airline leases for new terminal space and for lease renewals.

Mr. Turpen said that there are two philosophies of leasing which exist. In the United States, traditionally, airports lease property

to airlines on a long term basis. Internationally, particularly in Asia, there is an alternate view that facilities are leased on an as-needed basis and put in a common use pool. He said that most of the traffic in Asian airports is international.

Mr. Turpen said that the two systems were blended in San Francisco. We use the long term lease program in the domestic terminals. In the International Terminal the Commission has opted for a quasi common use format where all of the gates, bag claims and outbound bag system are common use facilities. He said that when this agreement was entered into in 1981 and the common use concept was negotiated for the first time ticket counters, office space to support ticket counters and office space to support ramp level operations were dedicated on a long term basis. The demand for ticket counter space is increasing and we are faced with an opportunity in 1991 to recover that space from several airlines who opted for ten year leases in the International Terminal rather than 30 year leases.

Mr. Turpen said that over the next month or two the Commission should take a look at what the policy has been Airport-wide, particularly in view of recent conversations about the need for a new arrivals facility for customs processing. The Commission will have to determine whether the quasi common use format should be continued, whether it should go to a complete common use format wherein airlines will be given permits to operate in the terminal, or, whether the Airport should default to the traditional U.S. view wherein the facilities are leased on a long term basis. Staff will be preparing a working paper for the Commission which will provide available options. At that time the Commission can provide direction appropriate to the expiration of those leases in July, 1991.

Mr. Turpen said that the philosophy has always been that long term commitments from the airlines help to underwrite the operation of the Airport and are therefore very attractive. On the other hand, flexibility is important in areas such as international operations where an airline may have only one flight a day.

Mr. Turpen said that he was not convinced that the Asian system was necessarily right for San Francisco. On the other hand, neither was a wholly American system. He felt that some blend of the two would best suit SFO.

Commissioner Duvall asked if the international gates were common use.

Mr. Turpen said that international gates, holdrooms, bag claim and domestic bag claim in the International Terminal, as well as the out-bound and in-bound bag systems and flight information displays are all common use. The only areas not common use are ticket counters, back office space and ramp level and VIP rooms.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby said that current bid specifications require a year or two retail experience. He asked whether professional medical/dental/legal office experience would qualify as retail experience. He said that those individuals deal with the public, collect money, keep books, pay insurance and handle the payroll.

Ms. Gittens responded that if retail experience is required, then that type of experience would not qualify. There are leases where business or

management is required. She said that when we require retail experience we are looking for experience in selling goods to the public.

Commissioner Goosby argued that just because an individual does not own a retail shop does not mean he or she does not have business experience. He did not feel that this criteria was justified. He said that the Urban Economic Development Corporation is anxious to encourage minorities, and blacks in particular, to go into business, yet we are excluding a whole group of competent professionals in the retail business by having arbitrary criteria.

Commissioner Goosby asked if the specifications have gone out for the Gate 64 space.

Ms. Gittens responded that the pre-bid conference has not yet been held so the specifications have not gone out.

Mr. Turpen said that the Commission will have the opportunity to change the criteria after the pre-bid conference.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

3. Modification to Specifications for Duty Free, In-Bond Concession Lease

No. 89-0047

Lease modification to provide that Minimum Annual Guarantee will not increase in the event that Lessee is required to expand the size of its demised premises due to implementation of the Airport's Master Plan.

Ms. Gittens told the Commission that because of a certain amount of confusion resulting from our current formulation of plans for a potential new international arrivals building we have created in the minds of potential bidders a fear that sections of the lease will come into effect that they cannot now predict. At this point we don't know whether or not we will be building a new international arrivals building. If we do build such a facility will it fall within the term of this lease which will run until the end of 1994, and, if it is within the term of this lease, how big will it be? These are all very preliminary thoughts that we are currently considering and we felt that by taking at least a major portion of the financial uncertainty out of the equation that we would stimulate the number of bids as well as the size of bids.

Mr. Turpen said that this change clears the air and the Commission can set any timing it wishes on its facilities development. He felt that because of the requisite negotiations with Pan Am and United the probabilities are that any concept, if it comes to fruition, will probably do so near or at the term of this lease. He felt that these changes would promote a good bidding environment and at the same time remove a lot of the uncertainty which has concerned some of the prospective bidders.

Commissioner Bernstein asked if there was a reason for the urgency.

Mr. Turpen responded that this existing contract expires in July. There is no reason not to proceed in July, or, in time to rebid the

contract. There is no further certainty which will accrue to this subject in the next six to nine months at the minimum, or possibly even the next 19 months. He said that the picture is hazy right now and to try and forecast accurately when that picture would become clear would be inappropriate and would cause the lease to be bid a year later, pushing it further into the projects time frame. He did not see any reason to add constraints by pushing the Airport into that time frame. This needs to go forward now.

Commissioner Duvall said that the longer we wait to put this contract out to bid the greater the likelihood there will be of creating a major interruption in the business operations during the term of the contract.

Mr. Turpen said that if he could have put it out to bid earlier he would have been even more secure in saying that there would not be an interruption.

Commissioner Bernstein was concerned that there not be a disruption of the business.

Commissioner Duvall responded that the disruption of the business will occur by virtue of the new International Terminal being completed and these business premises having to be moved. The likelihood of that happening within the next five years is remote. If we wait a year it will be that much more likely that the terminal will be completed and we will have to disrupt this contract and go through the repurchase of the unamortized leasehold improvements.

Ms. Gittens emphasized that the Commission is only being asked to approve the change in specifications at this time.

4. Resolution Awarding Lease for California Products Shop - North Terminal

No. 89-0048

Resolution awarding the California Products Shop lease to partnership of Donald Chin, Jayne Chew and May Le DBA Lakeshore Liquors

Item No. 5 was adopted by a 4 to 1 vote, with Commissioner Bernstein casting the dissenting vote.

5. Revisions to the Five Year Capital Projects Plan

No. 89-0049

Mr. Turpen told the Commission that the airlines voted to disapprove the projects listed on page two of his memo to the Commission. He explained that under the terms of the lease and use agreement there is a six month hiatus before these projects can go forward. The airlines do not have the right to disapprove projects in our capital plan, they only have the right to build in a cooling off period during which time they might be able to convince staff and/or the Commission that these projects are not appropriate. At the end of the six month period the Commission is then free to proceed.

Commissioner Murphy asked why the airlines were opposed to parking lot DD.

Ms. Gittens responded that there was no opposition to this project when staff met with the airlines, however, United was not represented at that meeting. Given other discussions that are going on with respect to space that we might want them to give up, United feels that to proceed with this project would foreclose that opportunity. She said that it should not be a problem for very long.

Mr. Turpen explained that this is the lot adjacent to the MOC. This project would impact the vacant parcel which is adjacent to United's parking facilities and the MOC so they see this as a natural geographic opportunity for them. In view of other discussions surrounding the new International Arrivals Building and the relinquishment of space, United hopes that by delaying this six months they might be able to convince the Airport that this might be a fair exchange or at least part of an exchange.

Commissioner Bernstein asked if any thought is being given to the future so that additional projects are not added to these Five Year Plans. He asked why this wasn't thought of years ago. He complained that without a constant flow of money this type of planning would put a company into bankruptcy.

Mr. Turpen responded that by careful planning the Airport does have a constant flow of money. He said that to do all of these projects simultaneously would cost a considerable amount of money. It would cause the Airport to go into the bond market in an excessive way and would dramatically impact the Airport, its operations and the people who use it. It would be no problem if we were building a new Airport in the middle of nowhere. He said that SFO is 60 years old and sits on 2200 acres. Staff is trying to progressively improve the Airport and at the same time minimize the inconvenience to passengers with a view towards the economics.

Mr. Turpen said that the Five Year Plan is staff's projection of what is required at the Airport based on a change in environment. In 1979 there was no deregulation. There is now a liberalization of that along with a liberalization of international routes and the acquisition of Pan Am's Pacific routes by United. We are in a changing environment and we are obligated to change with it. This plan recognizes the environment, projects the environment we anticipate being in and tries to respond to it. As an example, he said that all of the off-Airport long term rental car lots are closing. This presents the responsibility and the opportunity for SFO to provide parking for those persons who wish long term parking and at the same time creates a unique opportunity for us to derive revenue from what was previously an off-Airport revenue source.

Commissioner Murphy asked when work would commence.

Mr. Turpen responded that he thought it would possibly be 18 months before work would start, based on the six month hiatus.

Commissioner Murphy said that as he understood it the airlines have 30 days to approve or disapprove proposed capital expenditures. If the airlines disapprove an expenditure then there is a six month cooling off period. As the airlines failed to do anything during the 30-day period, the capital expenditures are approved. He said that the only basis for argument here is that possibly United wants to do something else with this space, although they haven't said anything about it.

Mr. Turpen added that there have not been any official negotiations in this regard, however, comments have been made by certain individuals.

Commissioner Duvall said that their silence is a tacit agreement.

Mr. Don Garibaldi, Airports General Counsel, added that each project will have to come before the Commission for approval.

Mr. Turpen said that it is important for the Commission to know that staff constantly monitors off-Airport parking availability and tries to forecast what the Airport would do to dovetail with it. He said that we have a little time, but not a lot.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

6. Resolution Recommending that the Board of Supervisors Adopt an Ordinance Authorizing the Airports Commission to Enter into Hold Harmless Agreements with Governmental Entities for Airport Police Officer Training

No. 89-0050

7. Award of Contract No. 2090:
Re-Roof Building 646 (Airborne Bldg.)

No. 89-0051

Resolution awarding Contract No. 2090
to California Roofing Co., Inc.

Commissioner Bernstein asked how long ago the roof was put on.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, responded that the roof is over 20 years old.

Commissioner Goosby asked why the low bidder did not receive the bid.

Mr. Bouey apologized for the way the item was written and explained that there were three lower bidders. Two did not receive HRC approval, and one did not have the experience required in the specifications.

8. Modification of Professional Services Contract No. 2130
T.Y. Lin
Upper Level Road South Terminal - Concrete Slab Repair

No. 89-0052

Resolution modifying T.Y. Lin
Professional Services Contract No.
2130 authorizing coring of upper level
roadway.

* * *

H. NEW BUSINESS:

Mr. Turpen introduced a resolution commending the services of Danielle

Kenealey of the City Attorney's Office who will be leaving the Airport shortly for another position.

The Commission voted unanimously to adopt the resolution.

No. 89-0053

Mr. Turpen said that staff will be presenting the Commission with the next working paper of the master plan. The working paper should be out in mid-March. Meetings have been set up at the Airport for members of the Commission to go over the plan. Additional meeting times can be set up to accommodate a Commissioner's schedule.

Mr. Turpen said that this item should be coming before the Commission on March 21. The plan will go out to approximately 300 people.

* * *

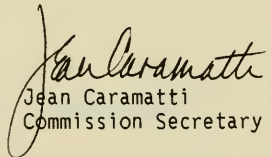
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:50 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MARCH 21, 1989

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LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

March 21, 1989

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Minutes
of the
Airports Commission Meeting

March 21, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President Donald R. Stephens Patrick A. Murphy
	Z.L. Goosby, Vice President, arrived at 9:05 AM
Absent:	Sharon B. Duvall

* * *

C. DIRECTOR'S REPORTS:

1. Master Plan - Response to Working Paper 'B' - Verbal Report

Mr. Lou Turpen, Airport Director, told the Commission that Working Paper 'B' was circulated for comments and staff has been developing responses. Both the comments and responses are being compiled into a single document and will be provided to the Commission within the next week to 10 days. On April 4 staff will ask the Commission for its permission to release the response to Working Paper 'B' to the general public.

2. Report on Child Care - Verbal Report

Mr. Turpen said that Sharon Johnson of the Mayor's Office chaired a meeting on March 10 at the Airport regarding the child care project. As a result of that meeting two sub-committees were formed. One sub-committee will address the survey in terms of its validity and updating it. That survey was designed to determine and quantify the need for a child care facility. The Airport will also participate on the site selection sub-committee. That sub-committee will be looking at various sites both on and off-Airport and evaluating them against a specific set of criteria appropriate to child care facilities. He said that in the event that that survey confirms the results of an earlier survey then a site on or near the Airport would be appropriate. The site selection committee will then try to determine what sites might be available. He said that both sub-committees will be meeting next week. He will continue to keep the Commission advised of the committee's efforts.

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby said that the Human Rights Commission's MBE ordinance states that there is supposed to be a 10% goal for prime contractors.

Ms. Angela Gittens, Deputy Director, Business and Finance, told the Commission that under the current ordinance the minimum goals are 10% for minorities and 10% for women. She explained that what that means is that if a Department feels it's not going to make those levels it can request a set aside in upcoming contracts.

Commissioner Goosby asked if the Airport will meet its prime contractor goal.

Ms. Gittens responded that we are well over that goal.

Commissioner Goosby asked how we were doing with the WBE goal.

Ms. Gittens responded that we are just about there.

Commissioner Goosby asked if the Airport considers sub-tenants as prime contractors.

Ms. Gittens said that we do not.

Commissioner Goosby asked if this covered construction work.

Ms. Gittens responded that it did. She said that this year we've had 84% minority participation in prime construction contracts.

Commissioner Goosby concluded that under the guidelines of the ordinance we have no grounds to ask for set asides. He asked if the City Attorney is recommending caution in that area pending the outcome of the AGC litigation.

Mr. Don Garibaldi, Airports General Counsel, responded that she is.

Ms. Gittens added that there is a draft of the new ordinance as the current ordinance expires in May. The new draft has a number of changes in it.

Commissioner Goosby asked that the Commission be briefed on the potential impact.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was put over to the April 4, 1989 Commission meeting.

3. Reconsideration of Variance Denial - Canadian Airlines

Application to reconsider the Airports Commission's denial of a variance requested by Canadian Airlines International, Ltd. heard before the Commission on December 20, 1988.

Mr. Turpen said that he has had conversations with Canadian as recently as late yesterday. Canadian indicates that there may be

some information forthcoming which will be material to the Commission's decision. In view of this he asked the Commission to put this matter over until April 4. During the interim the Airport will have the opportunity to receive the information, evaluate it and share staff's reaction to this information with the Commission.

Item No. 4 was adopted unanimously adopted.

4. Reconsideration of Variance Denial - Braniff Inc.

No. 89-0054

Application to reconsider the Airport's Commission's denial of a variance requested by Braniff Inc. heard before the Commission on December 20, 1988.

Mr. Turpen told the Commission that this item speaks to Braniff's request for a variance through the period of November 1, 1989. Braniff was given until April 1 to either come into compliance or relocate their operations. Further, the Commission gave him the authority to extend that April 1 date to July 1 if he felt the circumstances warranted such an extension. Since presenting its original testimony to the Commission, Braniff has acquired stage III aircraft, 16 airbus A320s. These aircraft are fully compliant with SFO's noise regulation. Further, Braniff has committed to place the very first aircraft into service at SFO, which will bring them into 33% compliance, versus the 25% mandate.

Mr. Turpen told the Commission that the issue is time. Braniff will not acquire the aircraft until late in the second quarter of this year. Certifying the flight crews and putting the aircraft into service at SFO will require a few months. He said that Braniff commits to be in compliance by November 1, 1989 and recommended granting Braniff a variance until that date.

Mr. Turpen said that the objective of the noise regulation is to bring airlines into compliance and to maintain the economic asset of SFO. He felt that this accomplishes both objectives.

Mr. Curt Holtzinger, member of the San Francisco Board of Supervisors Airport Noise Committee, said that his Committee was not opposed to this variance nor are they opposed to the resolution before the Commission. The Committee is in favor of bringing airlines into compliance and Braniff has shown its intention to achieve that goal.

Mr. Holtzinger said that the Committee has taken a reasonable stand and is trying to work with the Commission to maintain the economic viability of the Airport as well as insure quieter skies.

Mr. Holtzinger added that members of the Committee made an effort to attend each of the variance hearings and put a lot of effort into it. He felt that the people who attended those hearings should be provided with the reapplications and the supporting documentation. He said that there is no information available to the public at this meeting. He hoped that they could be provided with this information in the future.

Mr. Turpen said that he would be happy to provide the information.

Mr. Holtzinger said that he provided both the Commission and Mr. Turpen with the Committee's assessment of Working Papers 'A' and

'B'. Mr. Holtzinger said that the Committee wanted to provide its insight and analysis. The City and County of San Francisco has been impacted by noise for approximately the last two years. The Committee is not opposed to expansion if noise is mitigated and reduced.

Commissioner Goosby asked that they be placed on the appropriate mailing list.

Item No. 5 was adopted by a 3 to 1 vote, with Commissioner Bernstein casting the dissenting vote.

5. Increase to FY 1989/90 Budget for Free Luggage Carts

No. 89-0055

Mr. Turpen said that this request will increase by \$500,000 the amount for free luggage carts in the customs arrivals area for the upcoming budget. He said that the matter has been brought to the attention of the Mayor's Office and that office will be addressing the issue from a policy perspective in this coming budget cycle.

Commissioner Goosby said that that brings the cost of free carts to almost \$2-million. He said that this is a very serious consideration that the Commission and this community must look at.

Commissioner Murphy asked if the Airport still pays \$1.00 per cart.

Mr. Turpen said that we are. He reminded the Commission that when this mechanism was put into place passengers were still paying for carts in customs.

Mr. Turpen added that this contract expires in July, 1990. Staff will explore options that will hopefully satisfy both objectives of minimizing cost and maximizing service.

Commissioner Goosby said that he knew that Smarte Carte is the major company in this industry and asked if there were smaller companies that might be interested in this contract.

Ms. Gittens responded that there is one smaller company but they did not express any interest the last time this contract came up. She said that a pre-bid conference for requests for proposals will be held on April 19 and should provide some indication as to whether or not additional interest is there.

6. Emergency Medical Services - Reimbursement for Unpaid "Mini-Ambulance" Calls

No. 89-0056

Resolution amending the permit agreement with the Airport Medical Clinic to authorize the Airport's reimbursement to the clinic for those "mini ambulance" call invoices that are unpaid after a sixty-day period.

Mr. Turpen explained that the Airport Medical Clinic has operated on the Airport for many years and was probably the first of its kind in the United States. He said that a subsidy of about \$100,000 per year was paid to the Medical Clinic up until 1982 or 1983. The Commission

elected to pursue an alternate course in the rebid of this contract by providing a rent subsidy which would allow the Medical Clinic to occupy space rent free. In exchange for that free rental the Medical Clinic was to provide 24-hour service, 7 days a week, 365 days a year. That amount which has been forgiven is just about awash with the 24-hour operation and with the other services that the Medical Clinic provides in support of our emergency response red cap drills.

Mr. Turpen said that the one area that has clearly been an unanticipated problem is the question of mini-ambulance calls. The Airport has a number of golf carts which have been equipped as mini-ambulances for the purpose of responding to any emergency within the Airport terminals. Typically, a Police Officer drives the mini-ambulance, taking a physician from the Medical Clinic to the site of the call. The mini-ambulance is fully capable of supporting and sustaining life and we have had excellent success with this program.

Mr. Turpen said that in discussions with the Medical Clinic earlier this year it became obvious that a number of mini-ambulance calls were not being paid for because the patrons felt that this was a service of the Airport. These unpaid bills average \$50,000 a year.

Mr. Turpen said that he has met with the major airlines on two or three occasions and they are in agreement that they want to continue this type of responsiveness.

Commissioner Goosby asked if this is a cost center question. He also asked if this was required under the Lease and Use Agreement.

Mr. Turpen responded that this is not a cost center issue. Clearly, many airline employees and passengers are involved. He said that because this was a little out of the ordinary he wanted to run it by the airlines. This is an incremental cost that will go right back across landing fees and terminal rentals so that, in effect, they are going to be paying the bill.

Mr. Turpen said that the airlines are in agreement. If the Commission agrees, the Airport will reimburse the Medical Clinic for those bills that remain unpaid after 60 days. If a bill is subsequently paid or results in a settlement/litigation with the Airport, then it will be factored out of future payments on an adjusted basis.

Commissioner Goosby said that customary procedure is to send bills to a collection agency if they have not been paid within 90 days. He assumed that that same time frame would be followed here. He said that the Airport should receive proof that a bill was actually sent.

Mr. Turpen said that all mini-ambulance calls go through the Airport's communications system so we have a record of every call initiated at the Airport and an actual count of how many calls go out during the year.

Mr. Turpen told the Commission that there is one more year left on this contract. It is staff's intention to incorporate this into the rebid for the Medical Clinic in July, 1990, along with the rent subsidy, to cover the 24-hour operation.

Commissioner Goosby asked if their hours had been reduced.

Mr. Turpen responded that he had been given the authority to reduce the hours but upon reconsideration of the issues involved he decided not to reduce them.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

7. Airport Contract No. 2065:
Airport Beacon - Type II Modification

No. 89-0057

8. Declaration of Emergency
Airport Contract No. 2190:
Taxiway 'A' 8-inch Industrial Waste Pipeline Repair

No. 89-0058

Resolution ratifying the action of the President of the Commission in declaring an emergency because of an industrial waste pipeline failure at Taxiway 'A' and directing the Director of Airports to effect the necessary repairs.

- 9 Resolution Ratifying Personnel Actions

No. 89-0059

Resolution in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. NEW BUSINESS:

There was no discussion by the Commission.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 3:27 AM in order to go into closed session.

Jean Caramatti
Jean Caramatti
Commission Secretary

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PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

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Minutes
of the
Airports Commission Meeting

April 18, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duvall
Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 21, 1989 were adopted by order of the Commission President.

No. 89-0071

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was adopted unanimously as amended.

1. Assignment of Eastern Air Lines' Space to United Air Lines and Relinquishment of Space from United Air Lines to Airports Commission

No. 89-0072

Mr. Lou Turpen, Airport Director, said that in July of last year Eastern Air Lines relinquished its space to United Air Lines and the Airports Commission is obligated under the Lease and Use Agreement to consent to that assignment. The Airport staff has been working with United to try to reconcile how this space will be relinquished.

Those discussions were concluded within the last couple of days. He asked the Commission to consent to the assignment conditionally. The condition will be captured in a letter agreement between United Air Lines and the Airport within the next day or two and then fully captured in United's long term Lease and Use Agreement. The letter agreement is simply an interim measure until the lease is modified. The key provisions are the three areas of space, i.e. at the ramp level out on the airfield, in the terminal near the Northwest parking lot, and the former Eastern VIP space out on the concourse. Mr. Turpen said that upon receipt of this space United has agreed to immediately relinquish the VIP room to the Airport for the development of a concession. Further, United has asked to use the space at the west end of the North Terminal until June 1, 1992 for their operations. At that time they will relinquish that space to the Airport in time for the Airport to tie into any activities it anticipates for that terminal.

Mr. Turpen felt that this was an effective solution.

Commissioner Goosby asked if United was interested mainly in the ramp area.

Mr. Turpen responded that they were. He said that it will stay in United's lease until 2011 and they will pay rent on all of it. He said that he is very pleased with the outcome as revenue will be generated from the space during a period when it would be of limited value to the Airport. Also, United has agreed to relinquish the space when it becomes of value to us.

Mr. Turpen read from a letter written by Rick Street, United's Vice President for Airport Affairs, which captured one of the key areas to which United is committed. It stated: "...you may be assured that other than the requested temporary accommodations in the North Terminal, United would not conduct international operations from other than the International Terminal without the prior written consent of the Director of Airports." He said that United has been asked to commit to the use of the International Terminal for the obvious synergies and security concerns. United has reaffirmed their willingness to comply.

Commissioner Bernstein said that this isn't United's first step in acquiring space for their own international terminal.

Mr. Turpen responded that it is not.

Commissioner Murphy responded that this is carefully designed to do the opposite.

Mr. Turpen said that United will be using this for international operations on a temporary basis while they are rebuilding part of the International Terminal.

Commissioner Bernstein said that we have been through this before with United and he does not intend to repeat history.

Mr. Turpen said that he understood Commissioner Bernstein's question and his concerns and assured him that history will not repeat itself.

Mr. Turpen said that the resolution will be approved subject to the development of a letter agreement between the Airport and United Air Lines. That agreement will lead to a lease modification which will embody the terms of the letter agreement.

Item No. 2 was put over to the May 2 meeting.

2. Authorizatin to Accept Bids:
North Terminal, Gate 64 Newsstand Lease

Ms. Angela Gittens, Deputy Director, Business and Finance, said that this lease will be a small business set aside and represents the first time the Commission will embark on constructing a retail facility for a tenant. She said that there has been a great deal of interest in this concession and felt that the bidding will be vigorous for this opportunity.

Commissioner Goosby said that Duty Free has requested another two weeks to look at this space.

Mr. Turpen responded that from staff's perspective there is no reason to continue this item.

Commissioner Murphy asked if this space is located on the American concourse.

Ms. Gittens responded that it is. Gate 64 is about two-thirds of the way down the concourse. This space was part of American Airlines hold room but is vacant at the present.

Ms. Gittens said that Duty Free feels that this space will compete unfairly with their space which is located before security. She said that Duty Free indicated that they had been given to understand that there was no space on the pier. Ms. Gittens said that at the time that Duty Free secured the pre-security space, nothing was available past security. This opportunity became available when American Airlines reduced its activities and eliminated the need for this space. Ms. Gittens told the Commission that Duty Free wants to incorporate this space into their Boarding Area 'E' lease. She said that Duty Free has offered to provide a sub-leasing opportunity.

Mr. Turpen told the Commission that this item is not time critical and can put it over if it wishes.

Commissioner Goosby commented that there must be meaningful effort to implement the spirit of the small business affirmative action concept by constructing this space at the Airport's expense, with reimbursement by the operator over time.

Mr. Turpen said that this program has proven to be an effective vehicle for the Airport. The Airport has grown in this process and this is the next logical step. He said that this can be folded into the principal concession concept but he did not necessarily believe that this would advance us beyond where we were. The principal concession concept is imperative to the Airport's continued vitality in the retail business, however, some small departure from our traditional approach as well as some experimentation with these types of opportunities will be worthwhile. That is the reason for his recommendation, fully recognizing why Duty Free has made their suggestion. He said that he does not want to tie all the space up in the principal concessionaire concept. Mr. Turpen said that he would be happy to put the item over if the Commission wished.

Mr. David Suzuki, in-house counsel for Duty Free Shoppers, said that at the time the Boarding Area 'E' concession was put out to bid, Duty Free specifically recommended, both at the pre-bid meeting and in a letter, that a newsstand area be made available in the post-security area. He said that in reading a memo from staff to the Commission, summarizing comments made at the pre-bid conference he noted that the

question of whether or not to move Young At Heart beyond Boarding Area 'E' security was based on a letter Duty Free wrote asking if it were possible to locate this shop in the area adjacent to Gate 63 or between Gate 65 and 67. The staff recommendation was to retain the original location as there was no available space beyond security in Boarding Area 'E'. Based on that information, Duty Free formulated their projections for a concession, put in their bid and made no allowance for any dilution of sales that would occur from a post-security newsstand.

Mr. Suzuki said that there are a number of reasons why this would have a significant effect their business. He explained that the concourse is short so this additional newsstand would be visible from the security check-point and draw customers away from the pre-security principal concession space. In addition, many of their Boarding Area 'E' customers are American Airlines commuters and once they learn of the availability of a newsstand in the post-security area they will by-pass the pre-security concession and go straight to the newsstand.

Mr. Suzuki said that they are arguing to the fairness of this situation. He said that once the concession has been bid and the conditions are stated it seems unfair to change those conditions at a later date. He recommended that the matter be put over in order to give Duty Free the opportunity to make additional comments on this matter.

Commissioner Goosby said that before Duty Free bid the principal concession space they were told that there was no available space for a post-security newsstand.

Commissioner Duvall commented that that is not what the record states.

Mr. Suzuki said that Duty Free was told that there was no available space beyond security at Boarding Area 'E'.

Commissioner Murphy asked if Duty Free's existing concession agreement at the Airport precludes the Airport from building any concession it wishes at Gate 64.

Mr. Suzuki responded that he did not think it did, nor is that their position.

Commissioner Murphy said he understood Duty Free's position to be that at the time that Duty Free bid on the principal concession space at Boarding Area 'E' they were told that there was no space available to build additional concessions past security. He asked Mr. Suzuki if Duty Free wanted to bid on this new space, or, if they want it given to them.

Mr. Suzuki responded that after the pre-bid conference not only did Duty Free believe that no space was available past security, but that none was likely to become available in the foreseeable future.

Commissioner Goosby said that Duty Free feels that this will effect their cash flow in their other locations.

Mr. Suzuki responded that Duty Free feels that the effect will be significant.

Commissioner Murphy commented that Duty Free's newsstand was much larger with more titles and a greater variety of reading material.

Mr. Suzuki responded that that was correct however the post-security newsstand will still have a significant impact on their business.

Commissioner Murphy asked Mr. Suzuki what it was he wanted the Commission to do.

Mr. Suzuki responded that their proposal was to include the Gate 64 area within the Boarding Area 'E' principal concession and if that was done then they would negotiate with Airport management to provide an SBE opportunity at that location or ultimate location.

Mr. Suzuki reminded the Commission that it voluntarily put in a minority business in the Boarding Area 'E' concession. He said that this particular concession has been set up as an SBE set aside, so for the sake of consistency Duty Free would be willing to put one in if this area was rolled into their concession.

Mr. Turpen said that the Boarding Area 'E' principal concession area was originally designed with a set aside requirement which was essentially a Human Rights Commission action. There was no requirement for a set aside and the Airport bid the space as a straight business concession opportunity, with no minority participation requirement. Duty Free was the successful bidder and voluntarily put in such a program, recognizing the Airport's commitment to the principal concessionaire program, and in spite of the fact that the Human Rights Commission had not only indicated that there was no obligation to do so, but that it was not legal.

Ms. Gittens explained that there is currently a newsstand and gift concession to the right of security screening and an ice cream/cookie parlor. To the left of the security screening is the California Shop and the Young at Heart Shop, which is part of the Boarding Area 'E' concession. Across from the Young at Heart Shop is the Pacific Catch and Carry, a deli/sea food operation. She said that the newsstand and gift shop, the Young at Heart concession and the Personalizing Shop are all part of the principal concession. There is another small shop which is part of this same concession on Boarding Area 'F', past the Hub. In all, there are four locations: a minority enterprise is in two of the locations, the Personalizing Shop and the newsstand past the Hub.

Commissioner Duvall asked Ms. Gittens what she felt the impact would be on the current newsstand.

Ms. Gittens responded that she expected that there will be an impact but she did not care to hazard a guess as to how big an impact there will be. She said that the offerings that will be carried by this particular newsstand will be a fairly small subset to those carried in the large news and gift area. She added that she felt that their point was that it is the news and books that draws customers into the shop and the other items are more discretionary.

Commissioner Goosby asked if this space will have a gift section.

Ms. Gittens responded that it could also have gifts but there is not that much space.

Commissioner Murphy said that this will be essentially be the same amount of space as the newsstand in past the Espresso Bar in the Hub.

Commissioner Goosby asked Ms. Gittens if, when the Boarding Area 'E' lease was bid, she felt that there was an implied commitment that there would be no competing newsstand in that area because there was no available space.

Ms. Gittens responded that staff did not know that that space would become available. She said that this is not the first time something

like this has happened. ABC Cigar bid their lease and operated in Boarding Area 'F' for many years, and then in 1985 a major 1000 sq. ft. shop was opened in the Hub. That space was originally United ticket counter space. She felt that the Hub shop certainly had a much greater impact on ABC Cigar than this will on the Boarding Area 'E' shop.

Commissioner Duvall asked if the reason that this space has become available is that American has decreased its level of operation in that area.

Ms. Gittens responded that it is partially the Piedmont relocation. Also, they are running narrow bodies out of that area instead of wide-bodies.

Commissioner Duvall assumed that the reason the Commission is looking for this particular use of space is because there is an increased demand overall in the area and she is therefore confused with Duty Free's claim of potential conflict. She assumed the Airport is looking at this space based on continuing a level of passenger service throughout the boarding area.

Ms. Gittens agreed and added that it is also in response to complaints from passengers that there is nothing out in that area. If we had had the opportunity to develop that area before, we would have done so.

Commissioner Murphy said that he is a frequent user of that concourse and it is an annoyance not to have a newsstand out there.

Commissioner Duvall said that there is a clear and demonstrated need for this use of space in that area.

Commissioner Murphy said that what is being proposed in the resolution before the Commission is a small business set aside. Duty Free wants to negotiate that space into their principal concession lease and then lease that space themselves as a small business set aside. He said that the operator who gets the bid can take advantage of this turn key operation.

Commissioner Goosby said that the Airport, in effect, is intruding on Duty Free's lease.

Mr. Turpen suggested putting the item over for two weeks since this is not a time critical issue. At that time staff will return with a new slant to this issue.

Commissioner Goosby said that the Commission has not received any communications from Duty Free on this issue and perhaps they would send a letter to the Commission explaining their point of view.

Ms. Gittens told the Commission that she received a letter last evening.

Commissioner Goosby said that this would give us the opportunity to get a prime contractor under the MBE ordinance. He also said that it's possible that a competing bidder may have out-bid Duty Free had they known at that time that this space would be available. He applauded Duty Free's efforts but he had some concerns and would like the whole issue spelled out.

Commissioner Murphy asked how the newsstand at the Gate 80 concourse is going to be integrated into the newsstand out there, and, whether there will be any changes made in the existing newsstand in light of the new one being opened.

Items 3 and 5 were called together and adopted unanimously.

3. Bid Call - Contract No. 2195:
North Field Public Access Road

No. 89-0073

Resolution approving the scope, budget, and schedule for Contract No. 2195, authorizing the Director of Airports to call for bids when ready and authorizing the Director to award Contract No. 2195.

5. Bid Call - Contract No. 2196:
Airport Perimeter Security Fence

No. 89-0075

Resolution approving the scope, budget and schedule for Contract No. 2196, authorizing the Director to call for bids and authorizing the Director to award Contract No. 2196.

Mr. Turpen explained that items 3 and 5 were not only requesting bid calls but also authorized the Director to award the contracts. He explained that these items will address the problem of security on the North Field. The problem being, how to get to the North Field without going through a series of secured areas and the air operations area.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, told the Commission that the FAA notified Duke Briscoe, Deputy Director of Operations, that the Airport had a security problem on the North Field. He said that a task force was put together to study and define the best way to secure this area and provide maximum efficiency of moving vehicles. A route was established that follows behind Flying Tigers and the seaplane harbor and then back around the North Field area. However, as this route intrudes on Coast Guard property the Airport must secure an easement from them. That process will take approximately two to three years, based on past experience. He said that the FAA is not willing to wait that length of time and is pressing the Airport to come up with an interim solution. Staff has come up with two solutions. One is to follow around the edge of the MOC, requiring the Airport to secure a portion of the MOC property, and then come back around to the North Field area. There will be a second guard shelter at the intersection of the proposed route and the permanent route.

Mr. Bouey said that this contract will be divided into four parts, two of which are currently before the Commission. The contracts currently before the Commission are for pavement, additional fencing and replacement fencing. At the next Commission meeting he will present contracts for lighting and gates. Mr. Bouey explained that gates must be specially fabricated to allow aircraft to pass through. He said that nowhere in the country are such gates made. Staff is still waiting for information on this phase.

4. Award of Contract No. 988R:
Engineering Building Renovation

No. 89-0074

Resolution awarding Contract No. 988R,

Commissioner Goosby noted that even with the MBE/WBE/LBE advantage these bids often appear in the same sequence and does not make much of a difference in who receives the lowest bid. He hoped that the City Attorney keeps that in mind when the issue goes to court.

6. Shuttle Bus Service Agreement No. 68252, Modification No. 6

No. 89-0076

The Airports Commission is being presented with a Resolution setting rates and making reimbursements for our Shuttle Bus service contract operated by SFO Shuttle Bus Company. The Resolution establishes the 1989 hourly rates of \$30.56 per basic hour and \$21.21 per incremental hour, the payment of \$17,968.00 for unanticipated 1988 insurance premiums, the payment of \$169,347 over four quarterly payments for 1989 pass-through insurance payments, and reimbursing SFO Shuttle the difference between 1989 and 1988 rates for services rendered between January 1 and April 30, 1989.

Mr. Turpen explained that this is a pass through based on a contractual arrangement to provide shuttle bus services to the Airport. The attachment to this item reflects the pass through we would expect based on the number of hours which staff has projected for such an operation. He explained that we reimburse the operator for agreed upon expenses such as insurance, fuel, and labor rates based on hourly rates and seasonal demand.

Commissioner Bernstein asked what Los Angeles International Airport charges for its shuttle bus.

Ms. Gittens responded that L.A. does not charge a fee.

Commissioner Murphy commented that the problem in charging a fee is that the large doors, where passengers with baggage would enter, are in the middle of the bus, not at the front. He said that the problem with some shuttle buses, as is the case at JFK, is that passengers enter at the front door and boarding takes forever.

7. Bay Area SuperShuttle Rental Credit for Information Cabinets

89-0077

Resolution approving rental credit to Bay Area SuperShuttle for payment of \$20,848.23 to Rothcoast Company for 44 aluminum cabinets to be installed throughout the terminals displaying information on Upper Level Ground Transportation Services which include parking lot courtesy shuttles, rental car courtesy shuttles and door-to-door van services.

Mr. Turpen told the Commission that this is for the upper level, center island transportation services. This is the result of a fairly long negotiation with our on-demand operators regarding how we are going to improve the situation. He said that a new program has been implemented whereby the bus stops have been split on the upper level and dispatchers are now allowed on the upper level. The program has been effective to the point where the size of the holding lot needs to be increased and moved from the upper level roadway to the parking lot.

Mr. Turpen explained that SuperShuttle purchased 44 display cabinets to expedite the process. The Airport is now responsible for reimbursing SuperShuttle for this expenditure.

Commissioner Goosby asked which companies would be included in this display system.

Mr. Sheldon Fein, Landside Operations, responded that this will not only include on-call operators, but all transportation operators located on the upper level roadway.

8. Exercise Option to Extend Morla Design Contract for 1989 Annual Report

No. 89-0078

Mr. Turpen said that the annual report was well received.

* * *

The following items were adopted unanimously.

9. Approve Naming of Stephen T. Bow to SFAIC Board

No. 89-0079

Request for Board of Supervisors' and Mayor's approval of Stephen T. Bow's appointment to the Board of Directors of the San Francisco Airport Improvement Corporation.

Commissioner Goosby asked if the Board of Supervisors or the Mayor has any appointments to this Board.

Mr. Turpen responded that all members are named by the Commission.

Commissioner Goosby asked if most of the members are airline people.

Mr. Don Garibaldi, Airports General Counsel, responded that the Board members are not airline people.

10. Resolution Ratifying Personnel Actions

No. 89-0080

Resolution, in accordance with requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. NEW BUSINESS:

Mr. Turpen introduced a resolution to the Commission which approves extending an invitation to AOCI to hold its annual Pacific Basin Conference in San Francisco in 1990.

Commissioners Duvall and Murphy agreed that such a conference would benefit the City and would be in keeping with the Mayor's wish to open up trade between San Francisco and other Pacific Basin ports.

The resolution was adopted unanimously.

No. 89-0083

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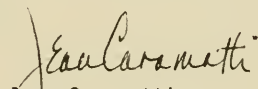
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:40 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

MAY 16, 1989

ART AGNOS, MAYOR

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DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

May 16, 1989

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Minutes
of the
Airports Commission Meeting

May 16, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:03 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duvall

Absent: Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the following meetings were adopted by order of the Commission President.

No. 89-0084 Regular meetings of April 4 and April 18, 1989.

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution nos. 89-0081, modification no. 3 to agreement with the law firm of Hanson, Bridgett, Marcus, Vlahos and Rudy, and, 89-0082, modification no. 1 to agreement with the law firm of Arnelle and Hastie at the closed session of April 18, 1989.

* * *

E. DIRECTOR'S REPORTS:

1. Status Report - Valet Parking Rate Increase

Report on six months' experience with new Valet Parking Rate.

Mr. Lou Turpen, Airport Director, told the Commission that while Valet Parking has realized an increase in revenues there has been a decrease in usage. Staff is prepared to take another look at this service and examine some options to make it more attractive. He said that staff will return within 90 days with suggestions on a possible range of services to be provided by Valet Parking to try and increase patronage.

Commissioner Duvall noted that the Airport has contributed \$66,558 this year and asked if it was an increase over last year. She asked if net contributions have increased as well.

Ms. Angela Gittens, Deputy Director, Business and Finance, responded that the net contribution has also increased since the Airport has not increased the operating cost.

Commissioner Goosby said that the Commission has historically taken the position that while this service is valued by executives and others it will not be subsidized by the Airport.

Mr. Turpen told the Commission that Pacific Basin airport directors voted at their last meeting to hold the next annual AOCI conference in San Francisco from May 6-10, 1990. He said that within the next four to six weeks he will present a detailed outline of the suggested program and actions that will be required on the Airport's part to host this 20th Annual Conference of the Pacific Basin Airport Operators.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

G. PENDING LEGISLATION:

AB 2491 and SB 886 were adopted unanimously. AB 1656 was removed from the calendar.

2. State Legislation

No. 89-0085-A
No. 89-0085-B

Resolutions opposing enactment of
AB 2491, AB 1656 and SB 886.

Mr. Turpen told the Commission that the first bill deals with fees to be charged to off-Airport operators. He said that this is clearly an attempt by some Airport operators to obtain certain rights from the legislature that they have been unable to obtain from the courts. He recommended that the Commission support the resolution opposing this bill.

Mr. Turpen said that SB 886 would establish procedures for an administrative protest by bidders with respect to decisions concerning disqualifications of bidders and subcontractors. This simply establishes another layer in a process which is already

complete in terms of protecting the rights of perspective bidders. He recommended opposing this bill by approving the resolution before the Commission.

Mr. Turpen added that as the off-Airport bill is before Committee next Monday he wanted the Commission's opposition relayed to the Committee and on record. He said that AB 2491 would clearly foreclose some of the Airport's options.

Commissioner Goosby said that the Commission has an appeal process already in place and these very operators have availed themselves of that process on more than one occasion.

Commissioner Duvall said that the key difference in this piece of legislation is that it would prohibit letting the contract until the protest has been resolved. She felt that that was a very dangerous requirement to impose into the local process. She said that it was important for local authorities to maintain the ability to move projects forward as they see fit, paying due respect to the protest process. She felt that the Airport fulfills that requirement and was in favor of supporting the resolutions before the Commission.

Commissioner Goosby said that the Commission is sensitive to the need of an appeal process and the role and responsibilities of Commissioners to act as an appeal body. He said that the Commission has always acted accordingly and given clear-cut responses and decisions.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

3. Award of Lease:
Duty Free/In-Bond Lease

No. 89-0086	Resolution awarding the Duty Free/In-Bond Lease to Allders International, Ltd.
-------------	--

Mr. Turpen recommended award of the lease to Allders, the high bidder, and said that he looked forward to working with them during the term of their lease. He said that he was certain that Allders would provide the high quality of service our passengers have grown to expect.

Commissioner Stephens noted that Allders \$20-million minimum bid is up from Duty Free's \$3-million minimum.

Mr. Turpen said that since Duty Free has advanced from paying the minimum to paying a percentage, the Airport currently receives about \$6-million.

Commissioner Stephens asked if this bid has a percentage clause as well.

Ms. Gittens responded that it does. The percentage is 15% up to \$40-million in gross revenue, and 20% after that.

Commissioner Stephens asked if the bid simply went from \$3-million to \$20-million without anything else happening.

Ms. Gittens responded that that is correct.

Mr. Turpen said that he is very pleased with the bid and looks forward to working with Allders.

4. Authorization to Accept Bids:
North Terminal, Gate 64 Newsstand Lease

No. 89-0087

Mr. Turpen said that this matter was put over from the previous meeting. The item pertains to space which American Airlines is relinquishing to the Airport. It is staff's intention to place a newsstand in that area in response to public comments. Staff met with Duty Free Shoppers at the Commission's request and Duty Free indicated at that meeting that none of the alternatives were viable at this time. He said that any problems that were indicated previously, if not resolved, are understood and it is recognized that there are no alternatives to this approach. Staff recommends moving ahead with this proposal as originally presented to the Commission.

5. Authorization to Accept Bids:
Pacific Bazaar Lease

No. 89-0088

Mr. Turpen told the Commission that this Boarding Area 'F' space is currently occupied by United Airlines.

Commissioner Goosby asked if this will be a small business set aside.

Mr. Turpen responded that it will not.

6. Authorization to Permit California Products Shop in the North Terminal Nub to Lakeshore Liquors

No. 89-0089

Resolution authorizing Lakeshore Liquors to operate the California Products Shop in the North Terminal Hub on a month-to-month basis.

Mr. Turpen said that this resolution ratifies a staff decision to issue a month-to-month permit to Lakeshore Liquors to operate through the period of September 9, 1989. The principal concession lease will take over at that time.

Ms. Gittens explained that Lakeshore Liquors won the California Shop bid for the space near Boarding Area 'E'. This particular facility for which staff is requesting a permit is no longer included in that lease.

Commissioner Goosby asked who has been running this shop until now.

Ms. Gittens responded that the name of the company was California Shop. Their lease expired and some of the individuals of that company formed Lakeshore Liquors. California Shop has been desolved.

Commissioner Goosby said that this new company will run the operation on a month-to-month basis until it becomes a new concession.

Commissioner Duvall asked what the economic impact will be and will this operator maintain the same level of revenue.

Ms. Gittens responded that it will be the same store with the same offerings and pretty much the same management.

7. Award of Contract No. 1553R:
Taxiway 'L' Extension and Northwest of Plot 40 Clean up

No. 89-0090

Resolution awarding Contract No. 1553R to Ghilotti Bros., Inc. in the amount of \$2,656,923.00.

Mr. C.J.S. Ogra, Ogra Security Services, submitted a letter of protest to the Commission (see attached). Mr. Ogra claimed that Ghilotti Bros. excluded his company as a subcontractor from this contract, they have violated State law, Section 6.49 of the Administrative Code, and they have not met Human Rights Commission requirements. He felt that this contract should be awarded to the next lowest bidder.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, said that last evening HRC granted conditional approval to Ghilotti Bros. He explained that approval is not conditioned on whether or not Ghilotti gets the contract. HRC says that Ghilotti can get the contract but there are certain requirements they must fulfill during the life of the contract or be subject to liquidated damages. For all intents and purposes, HRC has given its approval to Ghilotti.

Mr. Bouey explained that any time that an amount greater than one half of one percent of the contract is to be sublet, that subcontractor must be listed. However, this refers to trades such as plumbing subcontractors. Upon reviewing the situation, Don Garibaldi, Airports General Counsel concurs with his interpretation. Not only is Mr. Ogra not listed, or a company such as his, but also trucking suppliers, plumbing suppliers, or anyone who is not a trade subcontractor need not be listed. He said that City law is written to comply with State law. In this case, there is no defect in the bid and the award should be made to Ghilotti Bros.

Commissioner Duvall asked Mr. Bouey to explain HRC's conditions.

Mr. Bouey responded that Ghilotti Bros. employed what they thought was a woman-owned business. HRC determined that while they do not truly believe that it is a woman-owned business they do believe that Ghilotti made a good faith effort, and that is all that the ordinance requires. HRC has asked Ghilotti to subcontract an equal amount to another MBE or WBE. Ghilotti Bros. has agreed to do that. They will be subject to liquidated damages at the conclusion of the project if they fail to comply.

Commissioner Duvall asked if that is HRC's only condition.

Mr. Bouey responded that it is.

Commissioner Duvall asked Mr. Bouey if he would explain Mr. Ogra's concerns.

Mr. Bouey responded that Mr. Ogra wants the Commission to deny Ghilotti the contract. He explained that Mr. Ogra's issue is that there are two bid items, one for flagman and one for security. The

total of those two bid amounts equals \$42,000.00. One half of one percent of this contract would be \$39,000.00. As such, Mr. Ogra's contention is that a security guard contractor should have been listed as a subcontractor. However, within the meaning of the law the only subcontractors that have to be listed are trades, such as plumbing and paving subcontractors.

Commissioner Stephens said that that is opposed to service subcontractors, like security guards. He asked if they were specifically excluded from being listed.

Mr. Bouey responded that they are. He said that in this particular contract the trucking subcontractor, which amounts to \$260,000.00, is not listed because they are not subcontractors within the meaning of the law.

Commissioner Stephens asked if Mr. Ogra's security firm is competitive.

Mr. Bouey responded that he knew nothing about Mr. Ogra's firm but assumed that he was licensed.

Commissioner Goosby asked why Mr. Ogra was objecting.

Mr. Bouey responded that the law reads "subcontractor" and Mr. Ogra believes that he is a subcontractor to Ghilotti Bros. In a way that is true, but not within the meaning of the law.

Commissioner Duvall asked if Mr. Ogra is performing this service for Ghilotti Bros.

Mr. Bouey said that he did not know who Ghilotti Bros. will use. They might perform this service themselves. He said that the specs specifically state that the Airport may require the contractor to use a security guard firm, but we don't necessarily require it and most often do not.

Commissioner Stephens said that he did not understand why Mr. Ogra's contract would be before this Commission. This is between Mr. Ogra and Ghilotti Bros. Either Ghilotti Bros. fulfills their HRC requirements, or they don't. If they don't, they are subject to liquidated damages. Commissioner Stephens said that this is not an appropriate issue to be before the Airports Commission.

Mr. Bouey commented that it would be appropriate if the Commission believed Mr. Ogra's contention that Ghilotti Bros. did not submit a valid bid. Both he and the City Attorney believe that Ghilotti's bid is valid.

Mr. Ogra argued that his company was listed as a subcontractor on Contract 1560, Airport Dike. He said that he was called by Ghilotti Bros. and asked to submit a bid for this contract, which he did. He said that he gave Ghilotti all the documentation that they needed, including certifications for SBE, DBE, MBE and LBE. He sent this information on March 23. At 10:00 AM on March 28 he received a call from Mr. Frank of Ghilotti Bros. and was told that his company was listed as a subcontractor. When he telephoned Ghilotti Bros. at 3:00 PM that same afternoon he was told that he was not listed as a subcontractor. He accused Ghilotti Bros. of cheating and using his company to get a quotation. Mr. Ogra said that Ghilotti is not State-licensed to do this type of work, nor have they listed any other company to provide this service.

Commissioner Duvall explained to Mr. Ogra that the City Attorney

opined that this contract has been let within compliance of all applicable laws. She said that the arguments he is presenting are not appropriate to this Commission. With regard to Mr. Ogra's treatment by Ghilotti, she recommended that he meet with Mr. Bouey and that perhaps Mr. Bouey can facilitate a conversation between Mr. Ogra and Ghilotti Bros. She told Mr. Ogra that unfortunately he has exhausted the administrative process with respect to his protest.

Mr. Garibaldi said that he met with Mr. Ogra and tried to explain the situation to him, but obviously was unsuccessful.

Commissioner Goosby said that Mr. Ogra's claims of discrimination and mistreatment are issues for the Human Rights Commission to decide.

Mr. Turpen said that the Commission has evaluated Mr. Ogra's comments within its authority. The Commission has received input from the City Attorney and they are obligated to stay within that authority. Some of the questions Mr. Ogra has raised are outside this Commission's purview. The process that has been followed has been legitimate both from the standpoint of the Human Rights Commission and the City Attorney. He suggested that Mr. Ogra sit down with Mr. Bouey so that he might direct him to someone who might be able to help him further. This Commission is not prepared to delve further into this issue by participating in discussions outside of its jurisdiction.

An unidentified Ghilotti Bros. employee requested permission to address the Commission and correct some misstatements made by Mr. Ogra about Ghilotti.

Mr. Turpen said that that is not an issue before the Commission. The Commission fully understands the protest and has suggested a conversation with Mr. Bouey. The nature of Mr. Ogra's protest will not cause the Commission to change its view in terms of the low bidder.

Mr. Bouey said that he would be happy to set up a meeting.

8. Award of Professional Services Contract:
Evaluation and Improvements of Security Systems

No. 89-0091

9. Bid Call - Contract No. 2199:
Taxiway 'C' Automated Security Gates

No. 89-0092

Resolution approving the scope, budget and schedule, authorizing the Director to call for bids and award Contract No. 2199 to the lowest, qualified and responsive bidder.

Mr. Turpen said that this contract involved security gates for the north side of the Airport, adjacent to San Francisco Bay. This will improve access to that area and at the same time maintain the current level of security.

10. Bid Call - Contract No. 2197:
Electrical Improvement, North Field

No. 89-0093

Resolution approving the scope, budget and schedule, authorizing the Director to call for bids and award Contract No. 2197 to the lowest, qualified and responsive bidder.

11. Airport Improvement Program (AIP 10)

No. 89-0094

Resolution approving the Project Application for AIP fund of \$12.2-million and requesting the Board of Supervisors to authorize filing of Project Application and acceptance of the resulting grant offer.

Mr. Turpen explained that this is for approval of the Airport Improvement Program funds which are received from the Federal Government. Each year SFO generates about \$150-million for the Federal Trust Fund for airport improvements. Of that amount the Federal Government offers SFO \$8-10-million for improvements at the Airport, although SFO no longer receives Federal grants due to our on-going dispute over noise and access. Despite this situation, he felt it prudent for the Airport to continue to request its allocation and allotment of funds in order to maintain a hold on those funds pending the outcome of the lawsuit. This is consistent with what the Airport has done traditionally.

Commissioner Duvall asked if the \$12.2-million is an increase over last year.

Mr. Turpen responded that the request is typically about \$8.5-million.

Commissioner Goosby asked Mr. Turpen if there has been any progress in the lawsuit.

Mr. Turpen responded that there is a motion for reconsideration before the new FAA Administrator. Depending on the Administrator's determination, the 9th Circuit Court has agreed to look at the issue at that point.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

12. Retirement Resolution:
Vito Figlioli

No. 89-0095

13. Retirement Resolution:
Art Howard

No. 89-0096

14. Retirement Resolution:
Wyner Spencer, Jr.

No. 89-0097

15. \$85,000 Contract with the Corporation of Fine Arts Museums,
San Francisco

No. 89-0098

Contract for \$85,000 with the Corporation of Fine Arts Museums, San Francisco (COFAM) for the purpose of providing and implementing Temporary Exhibitions at San Francisco International Airport for the fiscal year 1988/1989.

Commissioner Goosby asked if the Corporation of Fine Arts Museums was a subsidiary of the Art Commission or a separate organization. He said that he was unaware that this contract existed. He thought that the Airport's Exhibition staff took care of everything.

Commissioner Stephens responded that the Corporation of Fine Arts Museums is the owning company for the De Young, the Palace of the Legion of Honor and the Asian Art Museum. It is a charitable organization.

Mr. Garibaldi responded that this came into existence about two years ago. Prior to that the Airport contracted with the Fine Arts Museum and the Museum Society to provide technical assistance to our staff.

Mr. Turpen said that the Exhibition staff numbers six at most. Those six people put on a total of 40 temporary exhibitions a year. This is an extremely prudent and economical way for them to get the type of research and background they need on some of the exhibitions. He strongly recommended continuing this contract.

Commissioner Goosby agreed that the Exhibition staff did an excellent job but he did not want additional employees hired.

Mr. Turpen said that there have been six employees since the Commission established this program. They do an outstanding job.

Commissioner Goosby agreed that the Exhibition program is a bright star in the Airport's crown and he was not denegrating it.

16. Approval of Exhibitions Program

No. 89-0099

Proposed Exhibition Schedule for the San Francisco International Airport Exhibitions Program July 1, 1989 to June 30, 1990.

Commissioner Goosby said that he would like more minority artists exhibited at the Airport.

Mr. Turpen said that the exhibits planned for the next fiscal year will offer a true international flavor and a broad spectrum of exhibits, both culturally and ethnically.

Commissioner Duvall agreed with Commissioner Goosby in that while

there is a representative cross section of international, historical and folk art work there is no representation of local contemporary minority artists. She said that this has been discussed before and is something in which the Commission is interested. She asked that these comments be brought officially to Elsa Cameron's attention.

17. Rejection of All Bids and Authorization to Re-Bid Contract 1907B: Waterproofing North Terminal Roof

89-0100

Five numbers representing the quantities of sealant work and crack repairs were inadvertently omitted in the Airport's bid forms. Without these numbers, the bids received on April 25, 1989 cannot be used as basis for contract award.

18. Award of Contract No. 1947: North Detention Pond - Installation of 20-inch Water Main

No. 89-0101

Resolution awarding Contract 1947 to Bay Pacific Pipelines, Inc. in the amount of \$197,600.00.

19. Travel/Training for Airport Representatives

No. 89-0102

Commissioner Bernstein asked what this trip was for.

Mr. Turpen responded that it is for runway work. Staff will take a look at a 24-hour paving program that has been instituted in Miami to see if it is viable for San Francisco.

* * *

J. NEW BUSINESS:

There was no discussion by the Commission.

* * *

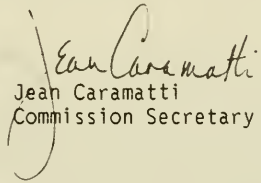
K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:47 AM to go into closed session.


Jean Caramatti
Commission Secretary

PROPOSAL and CONTRACT

Date MARCH 23, 19 89

TO THE ESTIMATOR

GHILOTTI BROS., INC. 525 JACOBY ST. SAN RAFAEL, CA 94901

Dear Sir :

I propose to furnish all materials and perform all labor necessary to complete the following:

1. CONTRACT NO. 1553R (SF INTERNATIONAL AIRPORT TAXIWAY 'L')

2. WILL PROVIDE SECURITY GUARD SERVICES FROM THE TIME THE
WORK IS COMMENCED UNTIL FINAL COMPLETION AND ACCEPTANCE.

All of the above work to be completed in a substantial and workmanlike manner according to standard practices for the sum of \$ 21.00/HOUR (ONE SECURITY OFFICER UNARMED) Dollars (\$ _____)

Progress payments to be made MONTHLY

as the work progresses

to the value of 100 per cent (100 %) of all work completed. The entire amount of contract to be paid within FIFTEEN days after completion.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

Name and Registration Number of any salesperson who solicited or negotiated this contract:

Respectfully submitted,

By OGRA SECURITY SERVICES

Name CHARANJIT S. OGRA No. PO 009519 154 TRUMBULL ST. SF, CA 94112

Contractors are required by law to be licensed and regulated by the Contractor's State License Board. Any questions concerning a contractor may be referred to the registrar of the board whose address is:

Address
415-586-2256

Telephone

Contractor's State License No. PA 009519

**Contractor's State License Board,
3132 Bradshaw Rd.
Sacramento, California 95826**

You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction.

ACCEPTANCE

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which _____ agree to pay the amount mentioned in said proposal, and according to the terms thereof.

ACCEPTED _____

Date _____, 19 ____

NOTICE TO OWNER

Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, materialman or other person who helps to improve your property and is not paid for his labor, services or material, has a right to enforce his claim against your property.

Under the law, you may protect yourself against such claims by filing, before commencing such work of improvement, an original contract for the work of improve-

ment or a modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract.

AIGNER FORM NO. 55-037CAL

ACKNOWLEDGE

PRINTED IN USA

STATE OF CALIFORNIA - STATE AND CONSUMER SERVICES AGENCY
DEPARTMENT OF GENERAL SERVICES
Office of Small and Minority Business
1808 - 14th Street, Suite 100
Sacramento, CA 95814

August 9, 1988

OGRA SECURITY SERVICES
154 TRUMBULL STREET
SAN FRANCISCO, CA 94112

Dear Businessperson:

Your request to become prequalified for the Small Business Preference under Section 1896 et., seq., of Title 2, of the Administrative Code has been approved effective (07-08-88 - 12-31-90). This approval as a small business and subsequent consideration for the 5% Small Business Preference will only be for Service Contracts. It is not relevant to Commodity or Construction Contracts.

Your firm's status must be reestablished at the end of each fiscal year. Our office will notify you on or about (01-15-91).

Contractor Identification Number (865101) has been assigned to you on a permanent basis. Use this number on all bids with the State of California.

Your firm has also become eligible for the prompt payment program. Therefore, upon being awarded a State contract, you must make a written request, accompanied with a photocopy of your award letter for a small business stamp.

Thank you for doing business with the State.

Sincerely,



Charmaine Sonnier
Services Verification Officer
(916) 323-0843

CS:p1
CS002

City and County of San Francisco



Human Rights Commission

Office Minority/Women Business Enterprise

Office of Contract Compliance

Office of Dispute Resolution

April 21, 1988

Mr. ChaKanjit S. Ogra
Ogra Security Services
154 Trumbull Street
San Francisco, CA 94112

Dear Mr. Ogra:

Pursuant to the San Francisco Board of Supervisors' Minority/Women/Local Business Enterprise Ordinance No. 139-84/Chapter 12D, the Human Rights Commission has determined that your business is certified as a bona fide Minority/Local Business Enterprise (M/LBE) for a period of two years. Your certification number is 41-010-00489 and will expire on January 31, 1990.

This certification number will allow your business to be eligible for ten percent (10%) preference in all bid proposals with the City and County of San Francisco. To verify your business as a bona fide Minority/Local Business Enterprise, indicate your certification number and provide this letter upon request to the contract awarding authority.

The Human Rights Commission reserves the right to withdraw this certification number at any time. The Commission also reserves the right to request and verify additional information and/or conduct on-site visits.

If there is any change in your business status, (e.g., ownership, control of operations, address, or telephone change), notify our office immediately. For recertification, contact our office within sixty (60) days prior to the expiration of your certification number. Failure to do so may result in the deletion of your business status from the official certified list of M/LBEs.

Upon any change of business status or recertification, notify our office at:

Human Rights Commission
Minority/Women Business Enterprise
1095 Market St. #501
San Francisco, CA 94103
Attn: Gary Wong

The Human Rights Commission welcomes your participation as a Minority/Local Business Enterprise. If our staff can provide further assistance, please contact us at (415) 558-4901.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Grant S. Mickins', written over the typed name and title.

Grant S. Mickins
Director

GSM:GW:bct
[mw] ltr]GARYW



STATE OF CALIFORNIA



CERTIFICATION NUMBER. 88B5641

EXPIRATION DATE: 7/89

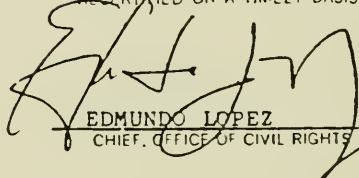
FIRM NAME.
Mr. Charanjit Ogra
Ogra Security Systems
54 Trumbull
San Francisco, CA 94112

DEPARTMENT OF TRANSPORTATION
OFFICE OF CIVIL RIGHTS

1120 L STREET, ROOM 2543
SACRAMENTO, CA 95814
TELEPHONE (916) 425-2276

July 8, 1988

IT IS YOUR RESPONSIBILITY TO BE
RE-CERTIFIED ON A TIMELY BASIS


EDMUNDO LOPEZ
CHIEF, OFFICE OF CIVIL RIGHTS

Post or Publish

THIS FIRM IS CERTIFIED AS A DISADVANTAGED BUSINESS ENTERPRISE
CERTIFICATION MUST BE RENEWED ANNUALLY

88-57302

OGRA SECURITY SERVICES

4 TRUMBULL STREET SAN FRANCISCO CA 94112

TELEPHONE (415) 586-2256

Attention: The Director
San Francisco International Airport Commission
San Francisco

Subject : Contract No. 1553R Taxiway 'L'
San Francisco International Airport

Dear Sir / Madam,

I would like to draw your attention that above mentioned contract is being awarded to Ghillotti Bros. Construction Co., San Rafael on May 16, 1989 in the Airport Commission meeting in room no. 282 City Hall.

Objections:

1. Vide San Francisco Administration Code Section 6.49 this coy failed to list some of the sub contractors as per item no. 28A / 28.

The amount for item no. 28A	= \$ 14400.00
Bid amount	= \$ 2656923.00
\$ 14400.00 = more than 1/2 % of bid amount.	

Ref. documents enclosed.

2. Vide Sec. 6.51 San Francisco Administrative code. There was no public emergency or necessity after the bid opening. Permission ~~may~~ not be granted (to add sub-contractors) by the Mayor, the Chief Administrator or controller, board or the commission, if granted will be suicidal issue for sub-contractors who are MBE/SBE/DBE/LBE.
3. This coy has treated Ogra Security Services discriminately which is a violation of Federal rule Title VII because on 03/23/89 bid along with all the documents submitted to this company. On 03/28/89 at 1000 hours Mr. Frank considered to be one of their company officers confirmed on the phone that Ogra Security Services is listed in the sub contractor's list. At 1500 hours, the same day at the bid opening, it was found wrong. Documents enclosed.

4. Ogra Security Services is MBE/SBE/LBE/DBE. Cetificates enclosed.

It is requested, kindly look into the matter and Ghillotti Bros. Constcution Co.'s bid must be considered as non-responsive and should be rejected. Contract must be awarded to next successful bidder.

OGRA SECURITY SERVICES

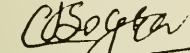
TRUMBULL STREET SAN FRANCISCO CA 94112

TELEPHONE (415) 586-2256

Please feel free to call me if you have any questions.

Thank you.

Sincerely yours'



C.J.S. Ogra
Owner/Manager

5/12/1989

San Francisco International Airport

CONTRACT NO.: 1553 R

TITLE: EXTENSION OF TAXWAY "L" & NORTHWEST PLOT

ENGINEER'S ESTIMATE: \$ 3,130,000.00

40 CLEAN

DATE OPENED: 3/28/89.

PROJECT MANAGER(ENGINEER) ADLAI TEW

[illegible]

PROPOSAL
CITY AND COUNTY OF SAN FRANCISCO
AIRPORTS COMMISSION

"ENVELOPE A"

Submitted by GHILOTTI BROS., INC

Address 525 JACOBY STREET, SAN RAFAEL, CA 94901

Date MARCH 28, 1989

TO THE AIRPORTS COMMISSION OF
THE CITY AND COUNTY OF SAN FRANCISCO

Gentlemen:

In compliance with the Invitation for Proposals and the proposed Contract Documents relating to construction :

AIRPORT CONTRACT NO. 1553R
TAXIWAY "L" EXTENSION AND NORTHEAST OF PLOT 40 CLEAN-UP
AT
SAN FRANCISCO INTERNATIONAL AIRPORT

the undersigned bidder / hereby propose S and agree S, if this proposal is accepted, to execute the proposed contract furnishing all materials in accordance with said specifications, and to perform the work in strict accordance with the proposed Contract Documents, all under the supervision and to the satisfaction of the Airports Commission of the City and County of San Francisco, at the prices payable in lawful money of the United States, named in the schedule of bid prices attached to and forming part of this proposal.

Herewith is enclosed a bidder's bond, certified check, or irrevocable letter of credit in the amount of 10% OF BID Dollars (\$) payable to the City and County of San Francisco, pursuant to the requirements of the law relating to proposals submitted to the Airports Commission of the City and County of San Francisco, and subject to all conditions imposed by such law.

Bidder shall indicate below all amendments received:

No.'s /
(Signed) [Signature]
VICE PRESIDENT

SCHEDULE OF BID PRICES
(Quote in Words and Numerals)

"ENVELOPE A"

Item No	Description, Estimated Quantity, and Unit Price	Extended Amount for Item
25D	Adjust Existing Catch Basin Frame and Cover 1 Each At <u>FIVE Hundred Dollars</u> (\$ 500 ⁰⁰) Each	\$ \$ 500 ⁰⁰
25E	Adjust Existing Manhole Frame and Cover 3 Each At <u>one hundred & FIFTY Dollars</u> (\$ 150 ⁰⁰) Each	\$ \$ 450 ⁰⁰
26	Pavement Painting, Non-Reflective 80 Squares At <u>One Hundred Twenty Dollars</u> (\$ 120 ⁰⁰) Square	\$ \$ 9,600 ⁰⁰
27	Pavement Painting, Reflective 60 Squares At <u>Eighty Dollars</u> (\$ 80 ⁰⁰) per square	\$ \$ 4,800 ⁰⁰
28	Flagmen for Traffic Control 180 Mandays At <u>One Hundred Sixty Dollars</u> (\$ 160 ⁰⁰) per manday	\$ \$ 28,800 ⁰⁰
28A	Security Guards 90 Mandays At <u>One Hundred Sixty Dollars</u> (\$ 160 ⁰⁰) per manday	\$ \$ 14,400 ⁰⁰
32	Hydraulic Seeding 4 Acres At <u>Two Thousand Dollars</u> (\$ 2000 ⁰⁰) per acre	\$ \$ 8,000 ⁰⁰
33	Clean Outs 18 Units At <u>Two hundred & FIFTY Dollars</u> (\$ 250 ⁰⁰) per unit	\$ \$ 4500 ⁰⁰

SUBCONTRACTORS

Name & Address of Subcontractor	Description of Work Reference to Contract Items	Price/Prices Under Subcontract	Subcontractor's License No.	State of CA	C & C of SF
CANNON ENGR CASTRO VALLEY SAN FRANCISCO	45 TO 66 ELECTRICAL GRINDING IC	\$336,400 ⁰⁰ \$15,250 ⁰⁰	522563		-
CHRIST CO. FREEMONT CA	STEELING 26,27	\$14,400 ⁰⁰			
KARLSKINT & GRUM SAN LUIS OBISPO	HYDRO SEED HYDRA SEED 32	\$8,060 ⁰⁰			
MALLOT PETERS & GRUNDY MUT VIEW	SURFACE CEMENT 40	\$11,680 ⁰⁰			

07/24/87

OGRA SECURITY SERVICES

UMBULL STREET SAN FRANCISCO CA 94112

TELEPHONE (415) 586-2256

Attention: The Estimator
Ghilotti Bros., Inc.
525 Jacoby Street
San Rafael, CA 94901

Subject : Sub bid for Contract No. 1553R (San Francisco
International Airport Taxiway 'L')

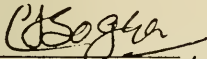
Sir/Madam,

Enclosed please find the rate sheet and proposal for
item no. 28A of the bid sheet.

It is requested to include the name of Ogra Security
Services in the sub contractors list.

Feel free to call me if you have any questions.

Thank you.
Sincerely yours'


C.J.S. Ogra 3/23/1989
Owner/Manager

SAN FRANCISCO AIRPORTS COMMISSION



DOCUMENTS DEPT.

JUL 12 1989

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MINUTES

JUNE 6, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

Index
of the Minutes
Airports Commission

June 6, 1989

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K.	NEW BUSINESS: 6		
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N.	ADJOURNMENT TO GO INTO CLOSED SESSION 7		

Minutes
of the
Airports Commission Meeting

June 6, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	Z. L. Goosby, Vice President
	Donald R. Stephens
	Sharon B. Duvall
	Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 16, 1989 were adopted by order of the Commission President.

No. 89-0104

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 89-0103 regarding the settlement of a litigated claim, at the closed session of May 16, 1989.

* * *

A Court Reporters transcript of this meeting is attached.

* * *

E. SPECIAL ITEM:

Item No. 1 was adopted unanimously.

1. Authorization to Distribute Working Paper 'C':
Draft Airport Master Plan

Resolution authorizing Director to distribute Working Paper 'C' - Draft Airport Master Plan to Airport tenants, the public, governmental agencies, and other interested parties for review and comment.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners;

* * *

G. PENDING LEGISLATION:

Item No. 2 was adopted unanimously.

2. Resolution Opposing Charter Amendment to Consolidate Peace Officers into Sheriff's Office.

No. 89-0106

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was tabled.

3. Long Distance Service from Pacific Bell Public Telephones

Resolution authorizing staff to suspend efforts to issue a Request for Proposals for Long Distance Service from the Pacific Bell Public Telephones.

Items 4 and 5 were removed from calendar. See attached letters submitted by cab drivers to Commission.

4. Termination of Limousine Service Lease

Resolution terminating the Limousine Service Lease between Associated Limousine Operators of San Francisco, Inc. and the Airport.

5. Authorization to Conduct Pre-Bid Conference: Limousine Service Lease

Resolution authorizing staff to conduct pre-bid conference for a Limousine Service Lease and awarding an interim permit for limousine service.

Item No. 6 was adopted by a 4-1 vote, with Commissioner Bernstein casting the dissenting vote.

6. Bid Call:
Hotel/Motel and Cable Car Advertising

No. 89-0107

Item No. 7 was adopted unanimously as amended.

7. Bid Call - Contract No. 2147:
Police Locker Rooms in South Terminal

No. 89-0108

Resolution approving the scope, budget and schedule, for Contract No. 2147 and authorizing the Director to call for bids when ready.

Items 8 through 10 were adopted unanimously.

8. Lease Modification No. 7 - United Airlines Lease and Use Agreement
No. 82-0126

No. 89-0109

Modification adds 24,110 square feet of space with the specified immediate return of 2,154 square feet to the City for a total addition of 21,956 square feet to United Airlines Lease and Use Agreement No. 82-0126.

9. Award of Contract No. 1011B.1:
Taxiway 'C' Realignment U.S. Coast Guard Relocation

No. 89-0110

Resolution awarding Contract 1011B.1 to Anderson Pacific Engineering Construction, Inc. in the amount of \$2,261,700.00.

10. Award of Professional Service Contract:
Sequoia Analytical Laboratory

No. 89-0111

Resolution approving the employment of Sequoia Analytical Laboratory to provide testing services.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Items 11 through 14 were adopted unanimously.

11. International Terminal Cigarette Vending Lease - Month-to-Month
Holdover

No. 89-0112

12. Rental Credit: Pan American World Airways

No. 89-0113

Rental credit for Airport requested removal of portion of Pan American Baggage System.

13. Proposed Easement Sale to Caltrans Adjacent to North Access Road, San Bruno, San Bruno Channel 4-5M-380 Parcel 48848-1 and 2

No. 89-0114

Resolution approving the proposed Easement Sale to State of California (Caltrans), for Parcel 48848-1 containing approximately 600 square feet and Parcel 48848-2 containing approximately 900 square feet for drainage purposes and incidents thereto for the sum of \$2,500.00 payable to grantor, City and County of San Francisco.

14. Resolution Ratifying Personnel Actions

No. 89-0115

Resolution in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

J. PUBLIC HEARING:

The Public Hearing for Item No. 15 was convened at 10:00 AM and closed at 10:25 AM, there being no further comments from the public.

15. Proposed Privilege Fees for Off-Airport Rental Car Companies

The Public Hearing for Item No. 16 was convened at 10:25 AM and closed at 10:26 AM, there being no comments from the public.

16. Proposed Increase In Cargo Rental Rates

* * *

K. NEW BUSINESS:

There was no discussion by the Commission.

* * *

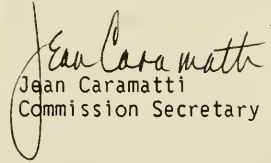
L. CORRESPONDENCE:

There was no discussion by the Commission.

★ ★ ★

N. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 10:26 AM.


Jean Caramatti
Commission Secretary

CITY AND COUNTY OF SAN FRANCISCO

ART AGNOS, MAYOR

SAN FRANCISCO INTERNATIONAL AIRPORT

MEETING OF THE AIRPORTS COMMISSION

---oOo---

SAN FRANCISCO CITY HALL, ROOM 282

SAN FRANCISCO, CALIFORNIA

Tuesday, June 6, 1989, 9:00 a.m.

---oOo---

CE-1004V

Taken Before CHARLOTTE CERVANTEZ, Notary Public

County of Alameda, State of California

C.S.R. LICENSE NO. 4486

BAY AREA COURT REPORTERS

1 REPORTER'S TRANSCRIPT OF PROCEEDINGS

2 Tuesday, June 6, 1989

3
4
5 SAN FRANCISCO INTERNATIONAL AIRPORT COMMISSIONERS

6
7 HONORABLE MORRIS BERNSTEIN, President

8
9 HONORABLE DR. Z.L. GOOSBY, Vice-President

10
11 HONORABLE DONALD R. STEPHENS, Commissioner

12
13 HONORABLE SHARON B. DUVALL, Commissioner

14
15 HONORABLE PATRICK A. MURPHY, Commissioner

16
17 ---oOo---

18
19 LOUIS A. TURPEN, Director of Airports

20 DENNIS BOUEY, Deputy Director of Airports

21 DONALD GARIBALDI, Airport General Counsel

22 ANGELA GITTENS, Human Rights Commissioner

23 JEAN CARAMATTI, Airports Commission Secretary

24
25 ---oOo---

26
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AUDIENCE SPEAKERSPAGE

John Mahoney

9

Andrew Fenyes

27

Ed Burke

31

Charles Gale

32

Mike Sealey

34

Andy De Paule

58

Steve Vaughn

60

Robert K. Madgett

61

Oral Hurst

65

Martin Kantoff

74

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P R O C E E D I N G S

MR. BERNSTEIN: The meeting of the San Francisco Airports Commission will please come to order. Will you call the roll?

MS. CARAMATTI: Commissioner Bernstein?

MR. BERNSTEIN: Here.

MS. CARAMATTI: Commissioner Goosby?

DR. GOOSBY: Here.

MS. CARAMATTI: Commissioner Stephens?

MR. STEPHENS: Here.

MS. CARAMATTI: Commissioner Duvall?

MS. DUVAL: Here.

MS. CARAMATTI: Commissioner Murphy?

MR. MURPHY: Here.

MS. CARAMATTI: You have before you adoption of the minutes of the regular meeting of May 16, 1989.

MR. BERNSTEIN: Any seconds?

MR. STEPHENS: I'll move for approval.

MR. BERNSTEIN: Any objections? Any corrections?

MS. CARAMATTI: No.

MR. BERNSTEIN: So ordered.

MS. CARAMATTI: Next we have announcement by secretary: In accordance with procedures, we have the unanimous adoption of resolution No. 89-0103 regarding the settlement of a litigated claim at the closed session of May 16, 1989.

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1 Next you have a Special Item, Item 1, Authorization
2 to Distribute Working Paper "C", Draft Airport Master Plan.

3 MR. BERNSTEIN: Anything on that?

4 MR. TURPEN: Yes, sir.

5 MR. BERNSTEIN: Mr. Turpen?

6 MR. TURPEN: This, Working Paper "C", basically
7 combines our efforts from our prior two working papers on the
8 Master Plan, "A" and "B". It includes revisions from comments
9 we received from the distribution of those earlier drafts of the
10 Master Plan.

11 As I had indicated to the Commission earlier, I'd be
12 coming before you at this meeting requesting permission to
13 release Working Paper "C", the latest draft of the Master Plan,
14 to the general public, our tenants, governmental agencies, for
15 their review and comment.

16 The differences between Working Papers "B" and "C"
17 are outlined for you in my memorandum of May 30th, and if the
18 Commission allows release today, we would forward
19 approximately 300 copies --

20 MR. YUEN: It's about 400 copies.

21 MR. TURPEN: -- close to 400 copies of the
22 Master Plan to various interested parties and individuals. We
23 will then schedule two public hearings, one in San Mateo County
24 and one in San Francisco, to solicit further comments and
25 reaction to the Master Plan.

26 At this time I'm asking for authorization to make

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1 public the Working Paper "C" so that we can start to work with
2 the community to get their input, reaction and start to come to
3 closure on the Master Plan.

4 MR. BERNSTEIN: Ms. Duvall?

5 MS. DUVALL: I second.

6 DR. GOOSBY: Are those meetings, public meetings,
7 usually held in the evening?

8 MR. TURPEN: Yes, sir.

9 DR. GOOSBY: Oh, they are.

10 MR. TURPEN: Yes.

11 MR. BERNSTEIN: Any questions? Pat?

12 MR. MURPHY: No.

13 MR. BERNSTEIN: So ordered.

14 Why don't we call the roll on this one.

15 MS. CARAMATTI: Commissioner Bernstein?

16 MR. BERNSTEIN: Yes

17 MS. CARAMATTI: Commissioner Goosby?

18 DR. GOOSBY: Yes.

19 MS. CARAMATTI: Commissioner Stephens?

20 DR. GOOSBY: Yes.

21 MS. CARAMATTI: Commissioner Duvall?

22 MS. DUVALL: Yes.

23 MS. CARAMATTI: Commissioner Murphy?

24 MR. MURPHY: Yes.

25 MS. CARAMATTI: Next is "Items Initiated by
26 Commissioners."

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1 MR. BERNSTEIN: Anything?

2 MR. STEPHENS: No.

3 MR. BERNSTEIN: That will be done, then.

4 MS. CARAMATTI: Item 2, Resolution Opposing Charter
5 Amendment to Consolidate Peace Officers into Sheriff's Office.

6 MR. BERNSTEIN: So moved and seconded?

7 MS. DUVAL: Yes.

8 MS. CARAMATTI: So moved.

9 MR. TURPEN: The matter before the
10 Airports Commission, there is pending in the Rules Committee of
11 the Board of Supervisors a promised charter amendment which
12 would place peace officers working at San Francisco
13 International Airport, in other words, members of the airport
14 police currently working for the Airports Commission, under the
15 jurisdiction of the San Francisco Sheriff.

16 There are several concerns with this proposal; they
17 are legal, financial, operational, certain concerns with respect
18 to potential future liability, and organizational concerns which
19 I've outlined for the Commission in both my memorandum of
20 May 31st and in a subsequent June 2nd memo.

21 I would ask the Commission to take the position in
22 opposition to this charter amendment so that when this matter
23 comes before -- if and when this matter comes before the Board,
24 Staff will have the Commission's view on record and will be able
25 to share that view with the appropriate committee of the Board.

26 DR. GOOSBY: I so move.

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1 MR. BERNSTEIN: Any question or anything?

2 Don, is there anything to hear on this one?

3 MR. STEPHENS: No, there is not.

4 MR. BERNSTEIN: Anything for you?

5 MS. DUVALL: No. I'm in agreement. I think we can
6 take it to a vote.

7 DR. GOOSBY: I second it.

8 MR. BERNSTEIN: It's been moved and seconded.

9 If you would call the roll.

10 MS. CARAMATTI: Commissioner Bernstein?

11 MR. BERNSTEIN: Now, a vote is being held; is that
12 it?

13 MR. TURPEN: I'm sorry? I think we vote "Yes" on
14 this one.

15 MS. DUVALL: We've got a resolution.

16 MR. TURPEN: It's a resolution, which opposes if you
17 vote in the affirmative on the resolution.

18 MR. BERNSTEIN: ... on the resolution, yes.

19 MR. TURPEN: It's not one of my trick resolutions.

20 MS. CARAMATTI: Commissioner Bernstein?

21 MR. BERNSTEIN: Yes.

22 MS. CARAMATTI: Commissioner Goosby?

23 DR. GOOSBY: Yes.

24 MS. CARAMATTI: Commissioner Stephens?

25 MR. STEVENS: Yes.

26 MS. CARAMATTI: Commissioner Duvall?

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1 MS. DUVALL: Yes.
2 MS. CARAMATTI: Commissioner Murphy?
3 MR. MURPHY: Yes.
4 MR. BERNSTEIN: Next?
5 MS. CARAMATTI: Item 3, Long Distance Service from
6 Pacific Bell Public Telephones.

7 MR. STEPHENS: One speaker on that.

8 MR. BERNSTEIN: Motion and second?

9 DR. GOOSBY: Has it been moved?

10 MR. STEPHENS: Seconded.

11 MR. BERNSTEIN: Would you like to speak on that
12 first?

13 MR. TURPEN: I'll wait, Commissioner.

14 I believe we have someone who wishes to speak on
15 this.

16 MR. BERNSTEIN: We have Mr. John Mahoney from
17 Cooper, White & Cooper.

18
19 JOHN MAHONEY

20 MR. MAHONEY: Yes, thank you, Mr. Bernstein.

21 My firm represents M.C.I. Telecommunications
22 Corporation.

23 MR. BERNSTEIN: Would you speak into the microphone,
24 so that the audience can hear.

25 MR. MAHONEY: We didn't learn about this, that this
26 item was on the calendar, until the weekend, and yesterday

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1 Mr. Garibaldi was kind enough to provide us with a copy of the
2 resolution.

3 I would suggest at the outset that the matter be put
4 over until the next meeting. This is a significant revenue item
5 to the airport and to the people of the City and County,
6 involving approximately \$35,000 a month, is the estimate of our
7 M.C.I. people, in additional revenue that the city, the airport,
8 is losing as long as the current interim contract is extended.

9 We'd like, if possible, the opportunity to put
10 together, in brief written form, the information that we think
11 you would need to decide this. So, I would ask that at the
12 outset.

13 I'm ready to talk about the merits, if you wish.
14 But it does seem to be an important item that could be put on
15 hold for a couple weeks.

16 MR. BERNSTEIN: Hasn't there been a lawsuit filed?

17 MR. TURPEN: Yes. I believe M.C.I. has filed a
18 lawsuit against the Airports Commission over the matter, over
19 this matter, basically long distance service.

20 If I can refresh the Commission's memory on this
21 matter, several weeks ago Staff came to the Commission and
22 indicated that they would be either seeking proposals or bidding
23 the long distance service at the airport.

24 At that time the Staff asked the Commission to agree
25 to continue with our current vendor, pending our ability to bid
26 this, and that we would move forward as quickly as possible to

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1 do so. The Commission agreed and indicated that Staff was to
2 complete this process, and as I know the Commission is aware,
3 the City has a fairly protracted process in these matters. And
4 I think this process is complicated by the competitive nature of
5 this portion of the industry.

6 The Commission said that you must complete this
7 activity within one year, and they said there would be no
8 further extentions, and to place the appropriate priority on it
9 among the other things that we're currently doing with respect
10 to bidding and proposals.

11 We are prepared to do that. We did get into some
12 conversations with persons from M.C.I. and from their legal
13 counsel concerning this matter. Clearly, you know, we said that
14 we were moving in the direction that certainly they were
15 interested in us moving, and invited them to participate with us
16 to accelerate this process, you know, as much as possible. And
17 in great measure, that's where we were.

18 There has now been litigation filed. The
19 litigation calls into question a number of things, also puts us
20 in a position of calling into question our ability to meet the
21 Commission's time frame. I realize and recall clearly the
22 Commission's intent in establishing the parameters for this, at
23 a year, and did not want to be obligated to come back to the
24 Commission at some late date trying to explain why we wouldn't
25 be able to meet that.

26 MR. MURPHY: I have a question here of either the

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1 witness or Staff.

2 Why was the suit filed?

3 MR. MAHONEY: The suit does not attack the long term
4 process that's underway and that's the subject of discussion
5 today.

6 The suit was filed in large part because M.C.I.
7 learned that contrary to previous representations, the R.F.P.
8 process had been delayed, so that it was not going to take
9 effect until April of next year; so that the interim contract
10 for services between now and the implementation of the other
11 one, instead of coming to an end at the end of this month --
12 which is what the Airport Staff had consistently told M.C.I.
13 people, even into this year -- was now going to take a year and
14 a half, rather than six months.

15 And the position of M.C.I. is that an interim
16 contract of that duration is subject to competitive bidding
17 processes of the City Charter.

18 DR. GOOSBY: But that's not the plan, to take that
19 long for the city?

20 MR. TURPEN: Well, if I remember correctly, and I'll
21 have to defer to Ang, her memory being better than mine on this
22 one, we came to the Commission a couple months ago and asked for
23 permission to extend this so that we can work through it, work
24 through the process.

25 As you all know, we go to prebid; when we develop
26 specifications, we go prebid conferences, we come back to the

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1 Commission on three separate occasions, and it takes some time
2 to complete the process.

3 I think M.C.I.'s view is simply: They'd like a
4 piece of the action now, they'd like a piece of the long
5 distance action now; and there's no reason that the airport
6 shouldn't divvy it up, because that's what they would like us to
7 do.

8 Our view is that we have to maintain an environment
9 where we're not simply reacting every time somebody wants to
10 come along and do something. We thought that a year was
11 certainly ample time in which to perform this activity.

12 MR. STEPHENS: Is the activity you're talking about
13 just putting together the bid? I mean, we're talking about
14 bidding telephones, and we need a whole year?

15 DR. GOOSBY: Well, see, yeah, as a matter of fact,
16 as part of that same question -- and you can answer it at the
17 same time -- this document talks about a request for proposal,
18 which is different from a bid.

19 Now, are we talking about a bid, where we're going
20 to put the thing out like we do all the other things? A request
21 for proposal is not bid upon. A request for proposals is you
22 get proposals from various companies, you then look them over,
23 and then objectively and subjectively you select the one you
24 want, and the Commission approves it. That's not a bid.

25 MR. TURPEN: Right.

26 DR. GOOSBY: Where the dollar figure is the deciding

BAY AREA COURT REPORTERS

1 factor.

2 So if we're talking about a bid, I don't see why it
3 takes us a year to prepare the bid documents to go out and let
4 the companies who want to compete for this bid on it.

5 MR. STEPHENS: Nor do I see why it takes a year for
6 a request for proposal.

7 MR. TURPEN: Well, I think the Staff's current
8 thinking is, what, R.F.P.? Okay, basically it would be a
9 competitive process, but it would result in an R.F.P.

10 I think that was the Commission's view when we first
11 talked about it, and we estimated eight or nine months. But at
12 the time, we were 60 percent -- 60 percent of the persons in our
13 property management division were gone, we had essentially two
14 people essentially on Staff to handle all of the bidding at the
15 airport.

16 As the Commission is well aware, we have a number of
17 other things going on. We just had the duty free, the
18 bookstore. These people handle all of these activities. It's
19 simply a question of priority, and it's simply a question of
20 marching to, if you will, the tune that's good for the airport.
21 Not necessarily changing all of our properties because somebody
22 wants us to accelerate.

23 Quite frankly, there are hundreds of people out
24 there in the environment who would like us to accelerate things
25 every day. We do our best to do them as promptly as possible.

26 MR. GARIBALDI: Well -- go ahead.

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1 MR. MURPHY: Make sure I just can sum this up:
2 We've gone ahead and granted the -- executed the agreement for a
3 one-year extension with AT&T?

4 MS. GITTENS: Yes.

5 MR. MURPHY: That's been done, has it not?

6 MR. TURPEN: Yes.

7 MR. MURPHY: And you were going ahead with the
8 R.F.P. procedure to work out proposals, and this matter being
9 brought before the Commission says that we ought to stop seeking
10 the proposals.

11 MR. TURPEN: Stop the process.

12 MR. MURPHY: Stop the process while the litigation
13 goes forward.

14 MR. TURPEN: I think that's right. And I also --

15 MR. MURPHY: Why should we change anything because
16 of the litigation? Have we been enjoined?

17 MR. GARIBALDI: There is no injunction.

18 The litigation, just so it's clear, is a writ of
19 mandate challenging the decision of the Airports Commission to
20 award this one-year career contract to AT&T. And --

21 MR. MURPHY: But that was a played card.

22 MR. GARIBALDI: That's correct.

23 MR. MURPHY: We decided to do that, it's been
24 executed. If it turns out we're wrong, some distant day a judge
25 will tell us that.

26 At present we're simply out looking for proposals,

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1 and that will be from M.C.I. or anybody else.

2 MR. TURPEN: That's right.

3 MR. MURPHY: And while I never like to be sued, I
4 think I learned a long time ago, you don't stop doing what
5 you're doing just because somebody files a lawsuit. Lawsuit's
6 are cheap.

7 MR. TURPEN: I think the other issue here was the
8 question of how this might impact the timing on our ability to
9 meet the Commission's very clearly stated goal of completion
10 within a year, and we brought this matter to the Commission.
11 The Commission, clearly, understands our concerns. We are
12 prepared to move ahead, as we were two months ago.

13 MR. MURPHY: Well, my view on this is that all the
14 suit is ever going to do is perhaps tell us we shouldn't have
15 given AT&T a one-year extension. And it will either come out
16 that way or it won't come out that way.

17 But I don't understand why that should have any
18 impact in going forward exactly as we had planned to, until some
19 court or competent jurisdiction stops us from doing what we're
20 doing.

21 MR. TURPEN: Fine.

22 MR. MURPHY: Again, I don't understand that M.C.I.
23 is asking us to stop going forward on the request for proposal.

24 MR. MAHONEY: To the contrary, Mr. Murphy --

25 MR. MURPHY: I guess it would like us to go forward.

26 MR. MAHONEY: Yes, certainly.

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1 MR. MURPHY: Then you would appear in opposition to
2 this item.

3 MR. MAHONEY: Yes, that's correct.

4 MR. MURPHY: Good. I'm opposed.

5 MR. STEPHENS: All you really want is an opportunity
6 to bid. Is that right?

7 MR. MAHONEY: That's correct.

8 MR. STEPHENS: And you haven't had that opportunity.

9 MR. MAHONEY: That's right.

10 MR. STEPHENS: Would the Staff agree that they
11 haven't had the opportunity?

12 MR. TURPEN: No.

13 MS. DUVAL: Well, they do have an opportunity to
14 participate.

15 MR. MAHONEY: Well -- Oh, excuse me. I'm sorry.

16 DR. GOOSBY: We're talking about oranges and apples.
17 Are we going to talk about bidding? Or are we talking about a
18 request for proposal?

19 MR. STEPHENS: I'm sorry, I'm sorry. We're talking
20 about --

21 MR. MURPHY: We're talking about R.F.P.

22 I think the point, Don, is simply that I don't see
23 any reason for the process not to go forward exactly as we had
24 planned it, and apparently the witness' organization would
25 desire that to happen.

26 MR. TURPEN: And that's another issue.

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1 MR. STEPHENS: And that gives an opportunity for
2 everybody to submit an R.F.P. --

3 MR. MURPHY: Yeah.

4 MR. STEPHENS: -- and we take the best one.

5 MR. MAHONEY: That's correct.

6 MR. STEPHENS: And that's what you want.

7 MR. MAHONEY: Yes.

8 MR. STEPHENS: And that's what we want.

9 MR. MURPHY: The only issue is whether we did
10 something improper in giving AT&T a one-year extension, and we
11 either did or we didn't.

12 MR. STEPHENS: Yeah, that's right.

13 DR. GOOSBY: That's correct.

14 MR. MURPHY: And knowing the judicial process, it
15 may be a year before we get an answer.

16 MR. MAHONEY: That's exactly right.

17 DR. GOOSBY: We could have given AT&T a
18 month-to-month. We didn't have to say a year.

19 MR. MURPHY: But we did.

20 DR. GOOSBY: I think this is the point they're
21 making; they're saying why give them a flat year, when you can
22 do this in two or three months?

23 MR. MAHONEY: That may be the point of the lawsuit,
24 Dr. Goosby, but I think Mr. Murphy correctly sums up what's
25 going on here.

26 We simply say: Let this process go forward.

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1 And there's no reason to hold it off. LAX and
2 San Diego and Salt Lake City and Indianapolis have already made
3 their contracts, they've completed the process; and there's any
4 number of other airports that have them underway with R.F.P.'s
5 out, and there's no reason for the City to be lagging.

6 MR. MURPHY: Is it your proposal, your position,
7 that there is something wrong with taking the R.F.P. approach as
8 opposed to bidding it?

9 MR. MAHONEY: That is not my position. We have --
10 Certainly not the position taken in the lawsuit, which does not
11 challenge anything about the process for the long-term contract.

12 MR. MURPHY: Okay.

13 MR. TURPEN: Ms. Gittens? Oh, Donald.

14 MR. GARIBALDI: If I can say, John, I'd have to
15 dispute you on that. The whole basis of the litigation is that
16 we should have bid the one-year contract. And if you're right,
17 then we must bid the next contract as well. Isn't that what
18 your lawsuit says?

19 MR. MAHONEY: You correctly characterize what the
20 lawsuit says. But the inference I don't necessarily agree with.

21 And in the meanwhile, it seems to me the process in
22 the early stages is for all practical purposes identical anyway.
23 The City is obvious -- the airports going to have to solicit
24 input from suppliers and find out what's available and what the
25 experience of other airports has been and so forth, and there's
26 no reason for that to be delayed.

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1 MR. STEPHENS: If we went forward with the request
2 for proposal, would M.C.I. be content with that mechanism? And
3 if their proposal wasn't good, would they then file a lawsuit
4 that says you should have taken a bid? Or would they --

5 DR. GOOSBY: Right. Right.

6 MS. DUVALL: We can't be sure of that.

7 MR. STEPHENS: Or if we take the position if they
8 win they win, if they lose they lose.

9 MR. MAHONEY: I'd have to talk with M.C.I. about
10 what they would do, Mr. Stephens, but --

11 DR. GOOSBY: Mr. Garibaldi, go ahead.

12 MR. GARIBALDI: The bottom line is, Commissioners,
13 is that the Court will decide what the appropriate procedure is.

14 MS. DUVALL: That's right.

15 MR. GARIBALDI: The hearing is on June 29th, and I
16 would assume shortly thereafter we'll have direction from the
17 Court as to what to do.

18 DR. GOOSBY: Legally -- legally -- what, we have to
19 bid certain items. We don't have the choice of an R.F.P.

20 MR. GARIBALDI: That's correct.

21 DR. GOOSBY: What is that distinction?

22 MR. GARIBALDI: The distinction is based on that
23 provisions of the charter that say where a tenant is going to be
24 given a lease which provides for exclusive occupancy of space on
25 the airport, then it must be competitively bid and awarded to
26 the highest responsible bidder. Where there's no exclusive

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1 occupancy of space given, then competitive bidding is not
2 required.

3 DR. GOOSBY: Does this fall within those guideline?

4 MR. GARIBALDI: It's a situation where, as I
5 understand the technologist of this, AT&T or M.C.I. or whoever
6 is providing this long distance service will not have any
7 equipment on the airport at all. They will not occupy any space
8 on the airport. Therefore it does not have to be bid.

9 DR. GOOSBY: But they will have an exclusivity.
10 They will have an exclusive right to do that.

11 MR. GARIBALDI: It's kind of a modified kind of
12 exclusivity.

13 If you don't select a long distance carrier when you
14 use the public pay phone, you will get whoever the Commission
15 awards a contract to. But if you want to use another carrier,
16 you have their access card, you can use another carrier.

17 MR. STEPHENS: I understand that they're taking the
18 position, they're taking the position that this exclusivity of
19 our long distance lines or whatever it is brings them within the
20 parameters of the must-bid statute.

21 We're taking the position, since they don't occupy
22 any physical space, it takes it out of it. We're leaving it to
23 the Court to decide on June 29th.

24 MR. GARIBALDI: That's the issue, that's correct.

25 MR. STEPHENS: But the thing that's before us today
26 will preclude M.C.I. from being a competed bidder under any --

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1 either circumstance.

2 MS. DUVALL: No, I don't understand that.

3 MR. STEPHENS: I thought that's why you wanted the
4 postponement.

5 MR. MAHONEY: No, no. No.

6 MR. STEPHENS: Why do you want the postponement?

7 MR. MURPHY: What is before us today is purely and
8 simply the thought that we should abandon the R.F.P. procedures
9 that are being undertaken by the Staff while we wait for the --

10 MS. DUVALL: Postpone them.

11 MR. MURPHY: Postpone them.

12 MR. TURPEN: Postponing the activity until this is
13 sorted out.

14 MS. DUVALL: Until the hearing. It seems to me that
15 it's a reasonable thing to do, because there's a number of
16 issues that are up.

17 MR. TURPEN: I think there are two issues. Let me
18 reduce this to something real simple.

19 The Commission said fine, one year, no more than one
20 year, make sure you get it done in a year. And I've had,
21 clearly, that one registered. The Commission was very --

22 DR. GOOSBY: Or less.

23 MR. TURPEN: Or less.

24 But they said absolutely, that's it, you're not
25 getting an extension.

26 So, when this arose, our initial reaction was to

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1 come back to the Commission and say: Look, here's what's going
2 on; this may obstruct the process; we just want you to know
3 early on. We don't even have to deal with this if the
4 Commission doesn't want to, but clearly the Commission
5 understands the problem.

6 MR. MURPHY: I don't really understand why we should
7 be taking any action today. The Court will do what the Court is
8 going to do.

9 It seems to me that if we have decided, based upon
10 our legal advice, that what we should be doing is out developing
11 R.F.P.'s, one of which should be M.C.I., then we should simply
12 go forward with that process.

13 If on the 29th of June the Court tells us that we
14 are confused and we have to bid, at that point, that will be
15 ample opportunity to change our direction and seek bids.

16 MR. TURPEN: Fine.

17 MR. MURPHY: But I don't see any reason to stop what
18 we're doing simply because a lawsuit's been filed.

19 MS. DUVALL: That's assuming that there's not going
20 to be a significant amount of effort and cost incurred during
21 the ensuing, what are we talking about, a month?

22 MR. TURPEN: Should be, a month, yeah.

23 Actually a lot of our efforts directed. Then I'd
24 suggested, the Commission is obviously aware of the problem and
25 aware of the situation, and I see no need to pursue this matter.

26 DR. GOOSBY: And as you pursue this, some

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1 explanation should be given as to why the Staff feels that it's
2 to our advantage to have an R.F.P. instead of a bid on this.

3 That's a very cherished institution in the bidding
4 process. And I think most of the Commissioners, and I know I
5 do, I watch it very carefully; because I don't want to see us
6 making exceptions to certain cases and doing it in certain
7 cases, because this is where the politics and relationships
8 between individuals come into play. And I'd like to keep that
9 very clear and up front as to what we bid and what we don't bid
10 and if we're not going to bid it, why aren't we going to bid it.

11 MR. TURPEN: Okay.

12 DR. GOOSBY: I think that's very important.

13 MR. TURPEN: That's correct.

14 DR. GOOSBY: More important than the other issues
15 and facts.

16 MR. TURPEN: Not a problem.

17 MR. BERNSTEIN: I would also call attention to that
18 the Commission will vote in a year upon the suggestion of Staff,
19 and we will take approximately six months to compare the
20 documents.

21 MR. TURPEN: No; I understand.

22 MR. BERNSTEIN: That is what I think Don asked.

23 MR. TURPEN: That's right. That's exactly right.

24 I mean, at the time we came to the Commission, we
25 had a number of outstanding bids, and we had a significant,
26 matter of fact, we lost two or three key people in that

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1 division. 60 percent of the division decided to seek other
2 employment. So we just got caught in a very difficult time
3 frame.

4 It's not a function of the fact that it necessarily
5 takes a year to do a specific item, but when you fold it in with
6 all of the other items going on, you know, it's just a matter of
7 priorities and time.

8 DR. GOOSBY: Do you just want to move this table,
9 then?

10 MR. TURPEN: I think that would be the way to do it.

11 MR. MURPHY: Yes, I move. That will be fine.

12 DR. GOOSBY: And I second it.

13 MR. MAHONEY: All right. Thank you very much.

14 MR. BERNSTEIN: Until the decision on the 29th.

15 MR. TURPEN: We'll come back to you at some point
16 and let you know what's going on, as soon as we know.

17 MS. DUVALL: I don't think we have a current issue.

18 MR. TURPEN: Soon as we know, we'll let you know.

19 MR. BERNSTEIN: Fine.

20 MR. TURPEN: Items 4 and 5 I'm asking be removed
21 from the calendar, Associated Limousine did --

22 MS. GITTENS: They paid and submitted their bond.

23 MR. TURPEN: I'm sorry?

24 MS. GITTENS: They paid and submitted their bond.

25 MR. TURPEN: They paid and submitted their bond and
26 cured their...

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1 DR. GOOSBY: Deficiency.

2 MR. TURPEN: ... deficiency.

3 MR. BERNSTEIN: Items 4 and 5, then, in other words
4 the contract has been --

5 MR. TURPEN: The contract is still in full force and
6 effect. So Items 4 and 5 will be taken off calendar.

7 MS. DUVAL: Excuse me, as an point of information,
8 when is that contract up?

9 MS. GITTENS: It will be up in February of 1990.

10 DR. GOOSBY: That's right. Okay.

11 Now they can all go.

12 MR. TURPEN: 4 and 5 are off. Item 6 is next.

13 MS. CARAMATTI: Item 6: Bid Call: Hotel/Motel and
14 Cable Car Advertising.

15 MR. TURPEN: Excuse me.

16 If there was anybody here to speak to Items 4
17 and 5, those matters have been taken off calendar by the
18 Airports Commission.

19 MR. FENYES: But can I make a statement on Item 4?

20 MR. GARIBALDI: No.

21 MR. TURPEN: No, not really. That's up to the
22 pleasure of the Commission.

23 MR. STEPHENS: There isn't anything to talk about,
24 is there? They aren't on the calendar anymore.

25 MR. TURPEN: It's up to the Commission.

26 MR. BERNSTEIN: The contract has been reinstated by

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1 the payment of the past due indebtedness.

2 MR. FENYES: However, the Association wanted to
3 clarify their position.

4 MR. TURPEN: Well, we ought to let them speak. But
5 we do have a time limit.

6 MR. BERNSTEIN: You have three minutes.

7
8 ANDREW FENYES

9 MR. FENYES: Good morning, we have made payment and
10 we don't want to --

11 THE REPORTER: Would you identify yourself, please?

12 MR. FENYES: I'm sorry?

13 THE REPORTER: Your name?

14 MR. FENYES: I'm sorry.

15 My name is Andrew Fenyes, I'm with Associated
16 Limousines, and I'm up here to clarify and to submit to the
17 Commission why Associated Limousines held back payment for 90
18 days.

19 Contrary to popular belief, we have on purpose held
20 back on our payment for the length of three months, by the
21 advise of our attorney, in order to demonstrate to the airport
22 and the Airport Commission our frustrations that we are faced
23 with at the airport on a daily basis.

24 We have made the payment at this time because we
25 wish to continue working at the airport. However, we'd like to
26 clarify that the problems have not gone away and that we are

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1 clearly faced with these problems on a day-to-day operational
2 basis.

3 We have a submission that we would like to --

4 DR. GOOSBY: Your problems, I think, have you ever
5 acquainted us with your problems in the last, say, the last six
6 months or the last year?

7 MR. FENYES: Well, we deal on a regular basis with
8 Airport Staff.

9 DR. GOOSBY: I know you have with personnel.

10 MR. FENYES: Yeah.

11 DR. GOOSBY: But I don't think you've apprised us of
12 your problems.

13 MR. FENYES: That is correct.

14 DR. GOOSBY: Are they similar to the problems the
15 Airporter used to have with your space not being preserved or
16 whatever?

17 MR. FENYES: Primarily speaking, they're operational
18 problems. This is most of the reason why we have not actually
19 brought it to the attention of the Commission. We tried to deal
20 it out with Staff.

21 However, my Staff and I have fallen into a position
22 where we find this to be a frustrating situation on a day-to-day
23 basis, and we can't seem to get far enough with Staff to take
24 care of these problems, and this is why we're bringing it to the
25 attention of the Commission.

26 This was our way, with the advice of our attorney,

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1 to bring it to the attention of the Commission. We would like
2 to make this submission. And if you read it, you will
3 understand some of the issues that we are faced with and why we
4 are falling into this position.

5 If you have any questions, I would be happy to
6 answer them now.

7 MS. DUVAL: I would just like to point out that
8 written or verbal communication is generally a fairly effective
9 means of communication as well.

10 MR. FENYES: Well, we have a very large basis of
11 written communication, but as I said --

12 MS. DUVAL: Well, as Commissioner Goosby pointed
13 out, no members of the Commission have received any
14 communication from you, and I can't help but let you know that
15 your chosen method of showing your...

16 MR. FENYES: Your advice is well taken.

17 MS. DUVAL: ... concern about operations at the
18 airport is not well received by this particular Commission. If
19 you've got a written presentation, we'd be happy to receive it.

20 MR. FENYES: We will put this in. And your
21 information is well taken. And maybe from now on we should
22 contact the Commission and deal directly with you.

23 Our understanding was that we should deal with the
24 Staff first. I'll make this submission and from here on --

25 DR. GOOSBY: Well, you can deal with the Staff
26 first, but at least let us know what's going on.

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1 MR. FENYES: We will from this point on. Thank you

2 DR. GOOSBY: And then if you don't get results from
3 the Staff, then you come to the Commission.

4 But it's proper to deal with the Staff. But at
5 least let us know, within your communication. We've been down
6 this road before with the Airporter.

7 MR. TURPEN: Same attorney, by the way.

8 DR. GOOSBY: Same attorney.

9 And we had a suit to this. And we just want to
10 oversee it while this is going on between the Staff and the
11 company.

12 MR. FENYES: We will, and we will make the
13 submissions from now. We did not want to bother the Commission
14 frankly, with day-to-day operational problems.

15 MS. DUVALL: Quite frankly, it bothers the
16 Commission a lot when you hold back your payments for 90 days.

17 MR. FENYES: We understand that.

18 MS. DUVALL: Okay.

19 MR. FENYES: And this is one of the reasons our
20 attorney probably advised us to do it this way. Aside from all
21 jokes on the matter, I'm sure that he knows what he is doing,
22 and this is why we have him as our attorney.

23 In any case, we will submit these problems at this
24 point, and from now on we will deal with the Commission. Your
25 advice is well taken.

26 MS. DUVALL: That's great.

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1 MR. FENYES: Thank you.

2 MS. DUVALL: Thank you.

3 MR. BURK: There are a few cab drivers here who
4 would like to briefly say some things about our position at the
5 airport.

6 MS. DUVALL: Cab drivers? I don't think this is --

7 MR. BERNSTEIN: What do you want --

8 MR. TURPEN: We let Associated speak.

9 MR. BURKE: My name is Ed Burke, and I'm the
10 President of the Cab Drivers Association in San Francisco.

11 MR. BERNSTEIN: This is not the time for that.

12 MR. MURPHY: Well, I think that we've heard from
13 Associated, and now he wants to comment on the same thing.

14 MR. BERNSTEIN: That's fine but --

15 MR. TURPEN: I would just encourage you to keep your
16 comments to three minutes.

17

18 ED BURKE

19 MR. BURKE: There's a few people behind me, we will
20 all be very, very brief.

21 We have a lot of problems with Associated out at the
22 airport. They misrepresent themselves --

23 MR. TURPEN: Excuse me, can you tilt that mic up to
24 your mouth, please?

25 MR. BURK: They misrepresent themselves as cab
26 drivers, they lie about our fares, they basically are taking our

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1 customers away from us. We would like to have something done
2 about it. I have 11 statements from drivers I'm going to
3 submit.

4 DR. GOOSBY: Are you a driver? Who are you,
5 you're --

6 MR. BURK: I'm a cab driver with City Cab, and I
7 also represent the drivers organization. I'd like to submit
8 these statements to you. And there's a few other people who
9 would like to just say, real briefly, some things.

10 MR. TURPEN: What was your name?

11 MR. BURKE: Ed Burke.

12 MR. TURPEN: Ed Burke, okay.

13 MR. GALE: I would like to speak on Item 5, even
14 though it's off the calendar.

15 MR. MURPHY: Item 5 I don't think can conceivably be
16 relevant if Associated has cured it's default.

17 MR. TURPEN: That's right.

18 MR. MURPHY: I don't think there's any issue.

19
20 CHARLES GALE

21 MR. GALE: Mr. President and members of the
22 Commission, my name is Charles Gale, and I'm a cab driver in
23 San Francisco, a working cab driver.

24 We don't dress quite as well as the limousine
25 drivers. Our colors aren't very garish, and they're not white
26 and black. But we do something that no other form of

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1 transportation at the airport does, and I think this is a good
2 time to bring it up, and that is, we provide service 24 hours a
3 day to anyplace, starting at the Hilton at the airport, all the
4 way to the San Jose Airport.

5 The point is that we are getting the worst part of
6 the deal, even though we're offering the most complete service.

7 Associated, as it's been said, misrepresents itself.
8 They break your own rules three different ways at least. They
9 park in a white zone, which is not a parking zone, which is
10 meant only for them to pick up their preappointed fares; they
11 solicit, in the airport, away from their desk, and misrepresent
12 themselves and the price of taxicab service; and three, they
13 generally do not provide the service and don't tell the fare
14 that they've approached and solicited what service the other
15 forms of transportation provide.

16 Thank you very much.

17 MR. TURPEN: Thank you.

18 MR. MURPHY: Mr. Chairman, I'd like to make a
19 suggestion here. I'd like to hear at the next meeting a report
20 from the Staff as to what this dispute between the cab drivers
21 and Associated is all about. I'd like to hear within that
22 report whether in the opinion of Staff Associated has breached
23 their lease in any other way than simply nonpayment of rent,
24 which has now been cured. And at that time the Commission can
25 decide what action it desires to take.

26 DR. GOOSBY: And what Associated's complaints are.

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1 MR. MURPHY: I'd like to hear Associated's
2 complaints, I'd like to here the drivers' complaints. But I
3 think it should come as a Staff report. I don't want to have
4 free-for-all with people coming in here. And I would like to
5 hear as part of it whether Associated has or has not breached
6 the terms of its lease -- or operating permit at the airport.

7 MR. BERNSTEIN: Do you have anything to add to this?
8

9 MIKE SEALEY

10 MR. SEALEY: Very briefly, sir.

11 My name is Mike Sealey, I'm the Public Relations
12 Director of the C.D.A. I've been a driver for Yellow Cab in
13 San Francisco for four years.

14 Most everything that I would have liked to have
15 covered has already been covered by Mr. Burke and Mr. Gale,
16 except I must stress that the practices that Associated Limosine
17 does with apparent impunity up in the boarding area --

18 MR. BERNSTEIN: We're going to get that in our
19 report. There's really no point to go over it.

20 MR. SEALEY: Okay, all I wish to say is that if I
21 were to do it, it would be a 300 dollar fine and I could risk
22 the loss of my job.

23 MR. TURPEN: Thank you.

24 DR. GOOSBY: You see, all this can be rehashed at
25 the special meeting that's been called for, a special agenda
26 item. So, I think the Chairman is perfectly in order saying

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1 that saying that everybody else who wants to speak to this issue
2 just hold their fire, until we have it as an agenda item, a
3 Staff report, when we look at both sides of this question.

4 MR. SALEY: Thank you very much.

5 AUDIENCE SPEAKER: Commissioner, will we be notified
6 when you have rescheduled the item?

7 MR. MURPHY: Oh, yes.

8 MR. TURPEN: You can just contact the airport.
9 Contact the airport, landside operations, anybody there would
10 let you know.

11 AUDIENCE SPEAKER: Is it possible that I could
12 continue to speak on this issue, briefly?

13 DR. GOOSBY: No, no.

14 MR. MURPHY: Who are you?

15 MR. BERNSTEIN: No, no. No, no. Wait a minute.
16 We're going to have a meeting --

17 DR. GOOSBY: We're going to have a special meeting.
18 Why do you want do waste our time now --

19 AUDIENCE SPEAKER: Okay.

20 DR. GOOSBY: -- when we're going to have a special
21 session? And your comments, you won't be able to say them next
22 time. They'll being lost on the wind. Next time we're going to
23 make a decision about it.

24 AUDIENCE SPEAKER: Great, thank you.

25 MR. BERNSTEIN: Next.

26 MR. SEALEY: Thank you very much.

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1 MS. CARAMATTI: Item 6, Bid Call: Hotel/Motel and
2 Cable Car Advertising.

3 MR. TURPEN: I believe you have someone who may want
4 to speak to this matter. Mr. Gordon is here.

5 MR. BERNSTEIN: Is there anyone on this one, Don?

6 MR. STEPHENS: This is number seven?

7 MS. CARAMATTI: ... six.

8 MR. BERNSTEIN: Number 6.

9 MR. STEPHENS: No.

10 MR. TURPEN: No one will speak to this? Surprised
11 me.

12 Okay, this is a recommendation from Staff to
13 authorize Staff to receive bids for the hotel/motel, cable car
14 advertising.

15 As the Commission remembers, Staff had proposed
16 initially to do this in-house.

17 There was some suggestion that it should be bid, and
18 that the bidding process would yield a comparable financial
19 benefit to the City. Staff is prepared to bid it at this time
20 and asks your permission to do so.

21 MR. MURPHY: Mr. Turpen, have you seen the letter
22 from Ackerley Airport Advertising dated June 5th?

23 MR. TURPEN: No.

24 MR. BERNSTEIN: You have not?

25 MR. TURPEN: "No."

26 DR. GOOSBY: Do you want it now? Or do you want to

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1 look at it later?

2 Well, as I read it, Pat, they don't want us to set
3 it out at this figure. They're projecting a higher figure than
4 we're bidding it at.

5 MS. DUVALL: As they did in the prebid conference.

6 DR. GOOSBY: Yeah. Kind of a routine criticism.

7 MR. TURPEN: I think there are two issues here, very
8 simply. One, the Staff came in and said we can achieve a
9 certain return, or certain revenue from this operation, doing it
10 in-house.

11 There was some representation that possibly the
12 private sector could do as well. Fine. We're prepared to test
13 that. If in fact it does materialize, then obviously that's
14 good for us. If it doesn't, then I think we'd have to come back
15 to you with a re-think on whether or not we should be doing this
16 in-house.

17 MS. DUVALL: Okay, we --

18 MR. BERNSTEIN: After five years, would you want to
19 take on the duty and the job of advertising?

20 MR. TURPEN: What do you mean?

21 MS. DUVALL: Well, Staff has --

22 MR. BERNSTEIN: If you think Staff can do it better
23 than they can or as well --

24 MR. TURPEN: Well, no, I don't think that's the
25 issue, Commissioner.

26 The issue originally was that the Commission had

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1 talked to Staff about trying to pull some of these things
2 in-house. This appeared to be one where we thought we could do
3 that. We could, like a test case, do it in-house.

4 The objections of certain potential bidders caused
5 the Commission to rethink that. And frankly, for me to come
6 back to you and say, sure, we'll bid it, but we'll bid it
7 at \$100- or \$200,000 less than we thought we reasonably could
8 get by doing it ourselves would not be appropriate.

9 MS. DUVALL: I need a little refresher on some of
10 the points here.

11 As I recall the last time this issue was before us,
12 there was a question as to the cost. As I understand, this
13 number \$534,735 is equivalent to the revenue that was produced
14 by Ackerley Advertising. Is that right?

15 MS. GITTENS: That's right. The issue --

16 MS. DUVALL: And that --

17 Let me just follow my train of thought here.

18 MS. GITTENS: Okay.

19 MS. DUVALL: And that that is at the same time the
20 number that Staff proposes to be the net return from in-house
21 operations?

22 MS. GITTENS: No. The gross return.

23 The issue was that if it was done in-house, all of
24 the revenue would be concession revenue for purposes of the
25 City's annual payment, annual service payment. The cost would
26 be airport costs. The City would get the 15 percent annual

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1 service payment amount on the revenue; not the net return on the
2 service.

3 MS. DUVALL: Okay.

4 MR. BERNSTEIN: In other words, you think that Staff
5 can produce a greater profit to the airport than the --

6 MS. GITTENS: Not to the airport. To the City.

7 MS. DUVALL: To the City.

8 THE WITNESS: To the City's annual service payment.

9 MR. BERNSTEIN: Oh, to the City?

10 MS. DUVALL: Yes, because our base on which the 15
11 percent to the City would be derived would be the revenue base
12 of \$534,000.

13 The operating costs of that particular operational
14 segmented of the airport would be covered with the general --
15 within the general budget.

16 MR. BERNSTEIN: Well, why don't we see throw
17 everyone out and do it all?

18 MR. TURPEN: Well, this is the first step.

19 MR. BERNSTEIN: No, no. I mean it. I wouldn't say
20 it that way. But we might be misunderstood and people will
21 think that.

22 But if someone's going to build a business....

23 I think I met Mr. Ackerley once, if there is a
24 Mr. Ackerley. But I've been in business, I guess most of the
25 members of this Commission have been in business and are in
26 business; and after working up a business and having the revenue

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1 of "X" dollars, for you to raise the rent to "X" dollars doesn't
2 show -- or a minimum of "X" dollars, it doesn't quite seem fair.

3 I think we maybe ought to try that on some of the
4 other concessionaires, too.

5 MR. TURPEN: Either that or the Commission can
6 change --

7 MR. BERNSTEIN: I think I could run some of the
8 concessions on behalf of the City as well as they run them.
9 That's over 60 years.

10 MR. TURPEN: I'm happy to do whatever the Commission
11 wants on this one. We --

12 MR. BERNSTEIN: Oh, no, no. It's not a matter of
13 doing what the Commission wants. Let's do what we think is the
14 right thing to do for the people of the City.

15 MR. TURPEN: Well, I think that's where we started
16 before Mr. Gordon wrote his first letter.

17 I mean, the original proposal here was the one where
18 Staff would take this function over. We felt it was a function
19 we could take over.

20 Because of objections from the bidding community,
21 the Commission elected to look at this in the alternate, okay,
22 in the alternate; one of the criteria we used was we wanted to
23 have that same bottom-line number, because part of it was a
24 commitment we made in a total package to the Mayor in January
25 with respect to certain things we do.

26 MR. BERNSTEIN: Why don't we take over the

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1 newsstands?

2 MR. STEPHENS: Could we take this through and ask
3 Host to pay us its gross revenues?

4 MR. TURPEN: That's a thought.

5 MR. BERNSTEIN: I wouldn't say it that way.

6 MR. STEPHENS: No.

7 MR. BERNSTEIN: I wouldn't say it that way.

8 MR. MURPHY: Well, let me make sure I understand
9 this. As I understand what the Staff is saying is that they
10 believe that there will be bids at this amount, because the
11 bids --

12 MR. TURPEN: Not really.

13 MS. GITTENS: Let me just remind you what the
14 Commission instructed the Staff to do --

15 MR. MURPHY: Okay.

16 MS. GITTENS: -- when this came up before.

17 We had started with a approval for in-house.

18 MR. MURPHY: Yeah.

19 MS. GITTENS: Ackerley Advertising objected to that,
20 suggested that we try bidding this. If we had a certain dollar
21 amount in mind -- which we did, which was the \$534,000 -- that
22 we try for that as the minimum bid.

23 Commission instructed Staff to bid this as a
24 concession with \$534,000 as a minimum bid. If we did not
25 achieve that, then the Commission would reevaluate the idea. We
26 could either go back to in-house, the in-house proposal, or bid

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1 it at a lower amount.

2 MR. MURPHY: At a lower amount.

3 MS. GITTENS: That's right. That's right.

4 So we are now at a point of bidding this out at
5 this 534,000 dollar amount.

6 MR. BERNSTEIN: To find out what you get.

7 MS. GITTENS: That's right.

8 MR. BERNSTEIN: If we ask all our bidders to give us
9 a resume of their experiences and to -- and then we determined
10 whether they're capable of running a business according to our
11 likes.

12 MS. GITTENS: Well, we established --

13 MR. BERNSTEIN: Who on your Staff or our Staff is
14 capable of matching the ability of a firm like this?

15 MR. TURPEN: Excuse me, Commissioner, I think that's
16 not the issue. The issue is --

17 MR. BERNSTEIN: Wait a minute, the issue is --

18 MR. TURPEN: The issue is the Staff came --

19 MR. BERNSTEIN: I'm going to trade down.

20 MR. TURPEN: The issue is the Staff came to the
21 Commission prepared to do something. The Commission, in
22 response --

23 MR. BERNSTEIN: I'm not trading down.

24 MR. TURPEN: -- in response to external information
25 from outside bidders, elected to pursue another course under
26 certain criteria. We are simply responding to that, to what the

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1 Commission asked us to do.

2 If the Commission wants us to reduce the minimum, we
3 will do that. If the Commission wants us to take it back
4 in-house, we will do that.

5 However, I believe that the course which the
6 Commission plotted last time was a prudent course. Set our
7 standard. If private, and the private sector can match our
8 standard, fine. It's the end of the issue. If they cannot,
9 then I think the Commission has the decision to make, to lower
10 the minimum or send it back in-house.

11 MS. DUVAL: Well, it seems to me that there's an
12 interesting business issue here. Because if in fact the
13 Airport Staff can operate this and generate -- maintain the
14 revenue level that Ackerley, that the outside contractor
15 established, and if we can operate this ourselves, maintain that
16 revenue level, that the ultimate economic benefit to the City is
17 pretty clear; that that is the standard, that that is the
18 mandate of this Commission, to establish that standard and go
19 forward against that.

20 If the outside contractor is more skilled in this
21 particular business enterprise that it can exceed that
22 particular revenue level, to the extent that this minimum bid
23 makes some sense on an outside business enterprise, then that's
24 another kettle of fish. And then we've got some viable bidders
25 for the operation.

26 It looks like that's pretty unlikely, is what the

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1 potential candidates for this business are telling us, that it's
2 very unlikely that anyone is going to be able to conduct this
3 business, generating the revenues that are going to allow for
4 this kind of a minimum bid and any kind of net revenues left
5 over.

6 MR. MURPHY: But the whole point of a bidding
7 process --

8 MS. DUVALL: If we can operate at that level, I
9 think we need to.

10 MR. MURPHY: The whole point of a bidding process is
11 to find out what happens --

12 MS. DUVALL: Right.

13 MR. MURPHY: -- when we open the envelopes --

14 MS. DUVALL: That's correct.

15 MR. MURPHY: And it seems to me that we set
16 ourselves in that direction --

17 MS. DUVALL: That's right --

18 MR. MURPHY: -- and the Staff --

19 MS. DUVALL: -- but we do need to continue.

20 MR. MURPHY: -- has faithfully carried out our
21 directions --

22 MS. DUVALL: But we need to continue.

23 MR. MURPHY: -- and we ought to go right ahead and
24 see what happens.

25 MS. DUVALL: Yeah.

26 MR. BERNSTEIN: But if this thing follows through,

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1 and then we run and then we ask for people to bid on any
2 particular space for a business, there must be some doubt that
3 if I do a good job, I'm going to lose it. That's a hell of a
4 way to go into a deal.

5 MR. MURPHY: Well, this --

6 MR. BERNSTEIN: I wouldn't want to do it.

7 DR. GOOSBY: They'd have to bid it anyhow, Mo. I
8 mean, in other words their time is up, and they can enter into
9 the bidding.

10 MR. BERNSTEIN: I know, but they can't bid it if the
11 low bid is their total revenue.

12 DR. GOOSBY: Well, maybe somebody else can.

13 MR. MURPHY: But Mo, last years revenues --

14 MR. BERNSTEIN: That's different. I know I
15 wouldn't.

16 MR. MURPHY: Last years revenues are merely a
17 predictor of what the revenues in the future are going to be.
18 They can raise their advertising charges. There can be
19 inflation factors. There can be all sorts of components in it.

20 They can expand space. They can manage it better.
21 There's a lot of possibilities.

22 And it seems to me that we set ourselves in a course
23 before to go out and see if they bid it and at least if this
24 amount could be we obtained. And we ought to go right out and
25 find out what happens.

26 And if the answer is no and this letter that we have

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1 received is correct that there is no bidder, then we've gained a
2 valuable piece of information. We'll then decide whether to
3 operate internally or to rebid it under a different format.

4 DR. GOOSBY: The discussion we've had here is
5 premature.

6 MR. MURPHY: Also, I don't want to tip our hand,
7 frankly, in what we'll do if this bid doesn't come in. I don't
8 think that would be a very good idea.

9 DR. GOOSBY: Right.

10 MR. MURPHY: And I for one am not going to tip my
11 hand.

12 MR. BERNSTEIN: I'd also want to know what the
13 liabilities if we don't succeed. I know what it is in private
14 industry. I know what happens if I make a wrong guess.

15 What happens here if they make a wrong guess? Or
16 will Civil Service say I'm stupid?

17 I think we ought to give this a lot more thought.
18 If you want to go ahead with it, fine. I just think this sets a
19 very bad precedent.

20 DR. GOOSBY: There's a motion on the floor? I don't
21 know.

22 MR. BERNSTEIN: Hum?

23 DR. GOOSBY: There's a motion on the floor.

24 MR. BERNSTEIN: Will you poll us, please?

25 MS. CARAMATTI: Commissioner Bernstein?

26 MR. BERNSTEIN: No.

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1 MS. CARAMATTI: Commissioner Goosby?

2 DR. GOOSBY: Yes.

3 MS. CARAMATTI: Commissioner Stephens?

4 MR. STEPHENS: Yes.

5 MS. CARAMATTI: Commissioner Duvall?

6 MS. DUVALL: Yes.

7 MS. CARAMATTI: Commissioner Murphy?

8 MR. MURPHY: Yes.

9 DR. GOOSBY: I don't know whether the President,
10 Mr. Bernstein, realizes that all we're doing is saying that
11 we're going to prepare a proposal for bids. That's all we're
12 doing.

13 Ackerley, whose five-year contract is up, just like
14 any concessionaire, they can rebid, along with everybody else,
15 on the new bid documents. So they're not being excluded.

16 MR. BERNSTEIN: I know they're not being excluded.

17 DR. GOOSBY: It's just that they think that that
18 figure is unfair. The figure that we're asking for the minimum
19 bid.

20 But we'll find out if it's unfair. It's up to the
21 Staff and the Airport to get as much money as they can.

22 MR. BERNSTEIN: And Staff ought to also present, I'd
23 like to see how Staff arrived at that.

24 Commissioner Stephens came up with an idea: Are we
25 going to do that with Host?

26 DR. GOOSBY: Well, yeah, good question.

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1 If we don't get any bids, that can be lowered.

2 MR. BERNSTEIN: I just started a business, so, I
3 mean, I don't know. I've never been there before. I've
4 never --

5 DR. GOOSBY: It's not that far apart from what you
6 want to do.

7 MR. BERNSTEIN: I've never been a retailer, so I
8 wouldn't know anything about it.

9 All right, next.

10 MS. CARAMATTI: Item 7, Bid Call: Contract
11 No. 2147: Police Locker Rooms in South Terminal.

12 MR. BERNSTEIN: Lou?

13 MR. TURPEN: This matter pertains to the development
14 of some locker room facilities in South Terminal building at a
15 cost of approximately \$330,000.

16 MS. DUVAL: I wonder if we should -- Go ahead,
17 Z.L.

18 DR. GOOSBY: I move the motion.

19 MR. STEPHENS: I'll second it.

20 MS. DUVAL: Well, I wonder if we should put this
21 over until we find out what's going to happen with the
22 consolidation. Because that's something that's....

23 MR. TURPEN: This is --

24 MR. MURPHY: Still going to need lockers down there.

25 MR. TURPEN: Either way.

26 As I said, this is an open issue. This has been

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1 going on for two or three --

2 We've been actually working two or three or four
3 years now to get this sorted out to the point where we've
4 finally identified some space. A matter of a few weeks more
5 probably wouldn't be material one way or another but I --

6 DR. GOOSBY: Well, we can pass it with the
7 amendment, it might be interesting, pending the outcome, to see
8 that.

9 MR. TURPEN: That's fine. Sure.

10 DR. GOOSBY: I would move that that be amended to
11 the Order.

12 MR. TURPEN: I think Commissioner Duvall's and
13 Commissioner Goosby's statements both are appropriate.

14 As we move into this thing, there will be a lot of,
15 you know, depending on which way it goes, there could be a lot
16 of uncertainty; and we'll have to kind of adjust as we move
17 through this thing. And, so, with that type of latitude, it
18 will permit us to do that.

19 Now, there's a time, Denny?

20 MR. BOUEY: There's not a time problem.

21 MR. TURPEN: Okay, fine. Fine.

22 Then that amendment will be wholly satisfactory.

23 DR. GOOSBY: Either withdraw it or else --

24 MR. TURPEN: Or approve it subject to.

25 DR. GOOSBY: -- or approve it subject to the
26 ordinance passing.

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1 MR. TURPEN: Right.

2 MS. DUVALL: Okay?

3 MR. BERNSTEIN: All right.

4 MS. CARAMATTI: Commissioner Bernstein?

5 MR. BERNSTEIN: Yes.

6 MS. CARAMATTI: Commissioner Goosby?

7 DR. GOOSBY: Yes.

8 MS. CARAMATTI: Commissioner Stephens?

9 MR. STEPHENS: Yes.

10 MS. CARAMATTI: Commissioner Duvall?

11 MS. DUVALL: Yes.

12 MS. CARAMATTI: Commissioner Murphy?

13 MR. MURPHY: Yes.

14 MR. BERNSTEIN: Next.

15 MS. CARAMATTI: Item 8, Lease Modification

16 No. 7 - United Airlines Lease and Use Agreement No. 82-0126.

17 MR. BERNSTEIN: Lou?

18 MR. TURPEN: This is a further administrative step
19 in the United Airlines acquisition of certain North Terminal
20 west-end space which they secured from Eastern Airlines some
21 months ago. And this is a further step in that process, this is
22 amending their lease, their master lease, to reflect the
23 Commission's action in approving the assignment.

24 MS. DUVALL: I'll move.

25 DR. GOOSBY: Second.

26 MR. BERNSTEIN: Lou, this, it's understood, that

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1 this will not result in having two international terminals?

2 MR. TURPEN: That is correct.

3 MR. BERNSTEIN: This is a temporary deal?

4 MR. TURPEN: For most of the space, that's right.
5 The majority of it.

6 MR. BERNSTEIN: Temporary, in your opinion?

7 MR. TURPEN: I think it's two years, and then the
8 Airports Commission has the right to take it all back.

9 MR. BERNSTEIN: Two years?

10 MR. TURPEN: I think it's two years or three. I
11 don't remember anymore. It was in the original documents we
12 gave to the Commission last time.

13 There are about five locations: One the airport
14 gets presently; one United will keep, which is down in the op's
15 area; and the other three locations United can keep for about
16 three years, I guess, and then the Airports Commission can opt
17 to take those back.

18 MR. BERNSTEIN: This does not entail nor does it --

19 MR. TURPEN: It will entail no -- There will be no
20 dual international arrivals capability at San Francisco Airport.

21 MR. BERNSTEIN: Fine. Okay.

22 Anything? Don? Anything new?

23 MR. STEPHENS: No.

24 MR. BERNSTEIN: Pat?

25 MR. MURPHY: No.

26 MR. BERNSTEIN: All right, call it.

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1 MS. DUVALL: I'm sorry, I do have a point of
2 information here. It says in Condition B that it's a 90-day
3 written notice for C, D, E and F?

4 MR. TURPEN: After that date. Right, after that
5 date.

6 MS. DUVALL: After 1992?

7 MR. TURPEN: Right. That's the termination date I
8 was talking about, which would be four, five, six, seven, eight,
9 nine, 9000 feet or so.

10 MR. BERNSTEIN: Would you call it?

11 MS. DUVALL: Okay, thank you.

12 MS. CARAMATTI: Commissioner Bernstein?

13 MR. BERNSTEIN: Yes.

14 MR. TURPEN: In effect, that space is in the
15 terminal lobby, is where that is, at the west end.

16 MS. DUVALL: Okay.

17 MS. CARAMATTI: Commissioner Goosby?

18 DR. GOOSBY: Yes.

19 MS. CARAMATTI: Commissioner Stephens?

20 MR. STEPHENS: Yes.

21 MS. CARAMATTI: Commissioner Duvall?

22 MS. DUVALL: Yes.

23 MS. CARAMATTI: Commissioner Murphy?

24 MR. MURPHY: Yes.

25 MS. CARAMATTI: Item 9: Award of Contract
26 No. 1011B.1: Taxiway 'C' Realignment U.S. Coast Guard

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1 Relocation.

2 MR. BERNSTEIN: Lou?

3 MR. TURPEN: This is simply an operational
4 realignment to accommodate certain aircraft clearances, wing tip
5 clearances, on the taxiway.

6 MS. DUVALL: This is a permanent improvement? Not a
7 temporary measure?

8 MR. TURPEN: No. It's permanent. It also will also
9 tighten security.

10 MR. BOUEY: So, actually, that's a separate issue.

11 In this case, Commissioner, we have to realign
12 Taxiway 'C', and to do that, we need a portion of the
13 Coast Guard. So we're relocating some of their facilities so we
14 can have that northwest corner of the Coast Guard facility.

15 That will be a permanent easement and, yes, the
16 taxiway realignment will be permanent also.

17 MS. DUVALL: Okay, thank you.

18 Do we have a motion on this?

19 MR. BERNSTEIN: Is there a second?

20 MR. STEPHENS: Seconded.

21 DR. GOOSBY: Seconded.

22 What's D.B.E. in participation? 22 percent D.B.E.?
23 Did the Human Rights Commission go for this contract?

24 MR. BOUEY: Commissioner, under the new federal
25 guidelines, they no longer recognize "Minority Business
26 Enterprise" or "Woman Business Enterprise." They now recognize

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1 "Disadvantaged Business Enterprise," into which mostly
2 Woman Business -- what companies were formerly known as
3 "Woman Business Enterprises" and "Minority Business Enterprises"
4 were known as.

5 DR. GOOSBY: Why are we using it? We're following
6 the term because it's runways and the Coast Guard is involved
7 and some federal money?

8 MR. BOUEY: That's correct.

9 MR. TURPEN: Hopefully.

10 MR. BOUEY: If we ever were to receive our A.I.P.
11 money, then we'd be reimbursed for 75 percent of the project
12 costs.

13 DR. GOOSBY: So for those projects, then, we're
14 going to start using this "M.B.E." designation.

15 MR. BOUEY: That's correct, on all federal -- on all
16 projects in which we receive federal grant money.

17 As a point of information, there are one, two,
18 three, four, "five" M.B.E. firms that are participating in this
19 project, among them, one black firm, Alberts Electric, which
20 will be receiving \$305,000.

21 The rest are Filipino and Hispanic firms.

22 DR. GOOSBY: "Disadvantaged."

23 MR. TURPEN: Yes.

24 MR. BOUEY: "Disadvantaged Business Enterprise."

25 DR. GOOSBY: That's a connotation by the
26 Federal Government that because you're a minor firm, you're

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1 disadvantaged.

2 MS. DUVALL: I think there's another connotation to
3 that, which is that not all minority firms are necessarily
4 disadvantaged.

5 MR. BOUEY: And there's also one more connotation.

6 MS. DUVALL: Not necessarily a very positive
7 connotation.

8 MR. BOUEY: Commissioner Duvall is quite right.

9 But it also looks to take into certain categories of
10 other groups, for instance Disabled Vietnam Veterans, whites
11 from Appalachia and so forth.

12 DR. GOOSBY: That's something new?

13 MR. TURPEN: No. It's been banging around for a
14 couple of years, now, I think. It's been on the table for, gee,
15 it's been three or four years since when they first brought this
16 up.

17 DR. GOOSBY: When they used that term in education,
18 they were slapped plenty by calling them "disadvantaged."

19 Call them "culturally different" or something. But
20 you don't call them disadvantaged just because they happen to be
21 a different race. But, you know, I think that shows the whole
22 philosophy of this federal government, this administration and
23 the past administrations, towards this whole question. I think
24 it's very obvious of what they think of us. I can say that, in
25 passing.

26 MR. TURPEN: Thank you.

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1 MR. BERNSTEIN: All right?

2 MS. CARAMATTI: I'll take the vote from the
3 Commissioners.

4 Commissioner Bernstein?

5 MR. BERNSTEIN: Yes.

6 MS. CARAMATTI: Commissioner Goosby?

7 DR. GOOSBY: Yes.

8 MS. CARAMATTI: Commissioner Stephens?

9 MR. STEPHENS: Yes.

10 MS. CARAMATTI: Commissioner Duvall?

11 MS. DUVALL: Yes.

12 MR. CARAMATTI: Commissioner Murphy?

13 MR. MURPHY: Yes.

14 MR. BERNSTEIN: Thanks.

15 MS. CARAMATTI: Item 10: Award of Professional
16 Service Contract, Sequoia Analytical Laboratory.

17 MS. DUVALL: Go ahead.

18 MR. TURPEN: Fairly straightforward.

19 MS. DUVALL: I'll move.

20 MR. TURPEN: It's just lab testing for our waste
21 water plant.

22 MR. BOUEY: For both our sewage treatment plant and
23 our industrial treatment plant, for the more sophisticated tests
24 that our plant is not equipped to handle.

25 MR. BERNSTEIN: Anything? Lou? No?

26 I'll need a second on it, then.

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1 DR. GOOSBY: I move it, then, on the motion.

2 MR. STEPHENS: Seconded.

3 MR. BERNSTEIN: Moved and seconded. Same vote. No
4 discussion.

5 MS. CARAMATTI: Next item on the calendar is
6 Item 11.

7 MR. TURPEN: Items 11 through 14 on the consent
8 calendar, Commissioner.

9 DR. GOOSBY: Same.

10 MR. BERNSTEIN: Any question? Any discussion?
11 Anyone?

12 All right, go ahead, call the vote.

13 MS. CARAMATTI: Commissioner Bernstein?

14 MR. BERNSTEIN: Yes.

15 MS. CARAMATTI: Commissioner Goosby?

16 DR. GOOSBY: Yes.

17 MS. CARAMATTI: Commissioner Stephens?

18 MR. STEPHENS: Yes.

19 MS. CARAMATTI: Commissioner Duvall?

20 MS. DUVALL: Yes.

21 MS. CARAMATTI: Commissioner Murphy?

22 MR. MURPHY: Yes.

23 MS. CARAMATTI: Next is a Public Hearing: Proposed
24 Privilege Fees for Off-Airport Rental Car Companies.

25 MR. STEPHENS: Oh, lots of speakers on this
26 (handing).

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1 MR. TURPEN: This is a matter on which I know there
2 will be a number of speakers. I would suggest that consistent
3 with the Commission's policy, the Commission take testimony on
4 this matter today, take it under advisement, and I'll
5 essentially allow Staff as well to assimilate some of the
6 comments, and then we would come back to you at some later date
7 with a final response.

8 MR. BERNSTEIN: There are some speakers on this
9 item.

10 MR. TURPEN: Yes, and it would be my suggestion that
11 consistent with the Commission's custom and practice they hear
12 those speakers and take the matter under advisement.

13 MR. MURPHY: I think that's sensible here.

14 MR. BERNSTEIN: Andy De Paule of the Good Neighbors
15 Airport Shuttle.

16 MR. TURPEN: ... of the Good Neighbors
17 Airport Shuttle.

18 MR. BERNSTEIN: Please keep your remarks to three
19 minutes.

20 MR. TURPEN: State your name and your organization,
21 again, please.

22
23 ANDY DE PAULE

24 MR. DE PAULE: Okay. Yeah, Andy De Paule,
25 Good Neighbors Airport Shuttle.

26 This doesn't of course directly relate to airport

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1 shuttles, but I wanted to point out I just saw briefly the
2 little flier that went out from the Airport regarding this
3 matter, and they've listed numerous airports where currently
4 this percentage on off-airport car rentals is in effect.

5 Some of those are not quite right, in that at
6 Los Angeles Airport the proposal has been dropped, at another
7 one it's presently on appeal because it's essentially a tax and
8 therefore it grows against Proposition 13. So that may be
9 something you want to look into very seriously before you
10 implement this or try to implement it.

11 The other thing is I think it's very obviously
12 something that we have like Hertz, Avis and National behind to
13 try to make off-airport companies simply unable to compete with
14 them, and that's the only way they can essentially keep their
15 rates very high and give the public no options.

16 Right now the public has the option of going off the
17 airport and getting a reasonably priced rent-a-car, in exchange
18 for which all those companies do not get to advertise at the
19 airport, they don't get parking facilities, they don't get
20 anything at the airport, other than driving up and picking up
21 passengers that have already called them wanting to rent their
22 vehicles.

23 Then last but not least -- I'll make mine short,
24 because I know there's a lot of people -- apparently Hertz, Avis
25 and National are threatening that if they don't get something to
26 take away this supposed competitive edge, they're going to leave

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1 the airport. Lou is always complaining that they don't have
2 enough space at the airport, and if they really want to leave,
3 it will give you some prime space. Right? I don't think
4 they'll leave, but if they do, then we've got a lot of acreage.

5 MR. TURPEN: Thank you.

6 MR. BERNSTEIN: Thank you.

7 Mr. Steve Vaughn from Pacific Car Rental.
8

9 STEVE VAUGHN

10 MR. VAUGHN: My name is Stephe Vaughn, I'm the owner
11 of Pacific Car Rental in San Francisco. We've been in business
12 about 14 years.

13 The adoption of this plan, which would be a seven
14 and a half percent additional fee to operators like ourselves,
15 would simply put us out of business. Our profit margins are not
16 seven and a half percent. The adoption of this plan, would just
17 eliminate companies like ourselves.

18 Now, if the Airport would like to capture the
19 customers, the revenues that we generate, we would be more than
20 welcome to go on the airport. We'd love to go on the airport
21 and pay ten percent as a concessionaire. However, the Airport
22 has consistently kept the minimum so high that small operators,
23 like ourselves, don't have the option of going on the airport.

24 If the Airport indicates that the majors on the
25 airport would leave the airport or are threatening to leave,
26 they've been threatening for 20 years. I used to be one of

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1 them. They have never left. The ones, the one instance they
2 left in Houston. I believe Hertz left in Houston and came back
3 at first opportunity.

4 I appreciate your consideration of my position.
5 Thank you.

6 MR. TURPEN: Thank you.

7 MR. BERNSTEIN: Thank you.

8 Mr. Oral Hurst of Trip Scott Conklin representing
9 Alamo.

10 AUDIENCE SPEAKER: Oral Hurst stepped out of the
11 room for one moment. He'll be right back.

12 MS. DUVALL: We'll go on to the next one.

13 MR. BERNSTEIN: All right.

14 Mr. Robert K. Madgett. Is that correct?

15 MR. MADGETT: Yes.

16 MR. BERNSTEIN: Representing the Hertz Corporation.

17
18 ROBERT K. MADGETT

19 MR. MADGETT: Thank you, Mr. President, Members
20 of the Commission. I'm Robert K. Madgett, M-a-d-g-e-t-t,
21 Vice-President of Properties for Hertz Corporation, and I'm
22 really happy to be back in San Francisco today, after having had
23 the privilege of living here 15 and a half years and making the
24 drastic mistake of going to the East Coast and becoming a part
25 of a corporate bureaucracy.

26 So I love the weather this morning, the lack of

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1 humidity, and the chance to go to the wharf to get some crab.

2 I'd like to clear up a couple statements that have
3 been said and probably will be said by others that follow me.
4 One is that Los Angeles International Airport has not dropped
5 its proposal to do something similar to what the
6 Airports Commission is looking at now. They are in a stage of
7 evaluating two public hearings, putting together resolution that
8 will go to the Airports Commission probably late this month or
9 early next month.

10 There is litigation on this issue in the State of
11 California, there is also actions in the state legislature to
12 prohibit cities that own and operate airports from assessing
13 fees for the rights and privileges to do business at the
14 airport.

15 I think that our company's name is drawn through the
16 mud on several occasions. We did leave Houston Hobby Airport
17 over a contractual dispute, because the concession fee requested
18 was ten percent. When that fee was reduced to eight percent, we
19 rebid the contract. That was the heart and basis of that suit.

20 I've worked San Francisco International Airport for
21 the Hertz Corporation for 20 and a half years, and I can assure
22 you that in those 20 and a half years, as the official spokesman
23 for our corporation, before this Commission, before the Staff,
24 and before the City itself, the Hertz Corporation has never
25 threatened the City and County of San Francisco to go
26 off-airport over any dispute whatsoever at San Francisco

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1 International Airport.

2 And I really resent these kinds of statements being
3 made against our company.

4 We do support Director Turpen and his Staff's
5 proposal to assess fees for the off-airport rental car
6 operators, which reflect the economic benefits they receive
7 from access to the airport.

8 The fee structure in our opinion will end the
9 subsidy that off-airport rental industry has received over many,
10 many years, especially received over the last five years, the
11 subsidy paid by airport tenants, not only car rentals but other
12 concessions and other tenants that you have occupying space in
13 the three terminals at San Francisco, and ultimately, the air
14 travel public at large.

15 The off-airport car rental industry is one of the
16 fastest growing industries, "segments," I should say, of our
17 industry in the country. Some operators, their growth factors
18 have been tremendous.

19 San Francisco International Airport is the world's
20 second largest car rental market, following Los Angeles and
21 preceding Orlando. The majority are no longer what you'd call
22 mom and pop organizations. They are companies that invest as
23 much as 22 and a half millions dollars in a facility at
24 Los Angeles; they are companies who are rated in certain stock
25 market interpretations as the hot buys of the year, such as was
26 state in several business publications relative to Thrifty

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1 Rent-a-Car.

2 We're talking here about off-airport multi-million
3 dollar car rental corporations. And when they come before you
4 and argue for low, flat, per-trip fees or no fees or fees that
5 do not even come close to covering the costs that you incur in
6 managing and operating the airport, rather than fees based upon
7 a percentage of gross revenues, they are asking you to only
8 continue the subsidy and for an advantage which discriminates
9 against even some of the smaller off-airport companies.

10 Off-airport car rentals, because of this subsidy and
11 their lower costs, do siphon off business from the on-airport
12 rental car companies.

13 I think that the Staff has adequately stated in its
14 report to you today that we last year paid close to \$14,000,000
15 as concession fees to the City, the five existing on-airport
16 concessionaires.

17 The off-airport companies, through the access fee
18 that you have established now, paid approximately \$35,000 and
19 are probably doing probably \$20- to \$30,000,000 in business
20 off-airport versus what the Staff's estimates are.

21 The ability of local airports to charge percentage
22 of gross revenue fees for off-airport operators has been upheld
23 in Federal and State Courts, and as I've already said, is
24 currently under appeal here in the State of California. We feel
25 that it's time to end the unfair subsidy paid by airport tenants
26 and the traveling public to the healthy and burgeoning

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1 off-airport rental car industry.

2 I thank you very much for your time.

3 MR. TURPEN: Thank you.

4 MR. BERNSTEIN: Thank you. That's it?

5 MR. STEPHENS: No. There's one more.

6 MR. TURPEN: No, no. We have one gentleman who
7 stepped out of the room, I believe. Didn't we pass one
8 gentleman? Alamo?

9 MR. BERNSTEIN: The gentleman renting Alamo.

10 DR. GOOSBY: Is he back?

11 MR. HURST: Yes, I'm back.

12 DR. GOOSBY: Okay.

13 MR. BERNSTEIN: Mr. Hurst?

14
15 ORAL HURST

16 MR. HURST: Yes, I'm Oral Hurst.

17 I'm Oral Hurst with Trip, Sky, Conklin & Smith.
18 I represent Alamo Rental Car.

19 I think there are a couple of problems to begin
20 with, with the actual proposal. There's a fundamental
21 misunderstanding of the distinction between an on-airport and an
22 off-airport rental car company.

23 There have been, I think there's been, much talk
24 around the country about a level playing field. The problem
25 with a level playing field in this instance is that we're
26 playing in different ball games.

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1 The on-airport companies have a substantial
2 advantage in being on airport, and they have a business
3 relationship with certain clients that makes it necessary for
4 them to be on airport to best serve their customers. They have
5 a large percentage of their customers are business clients.
6 They contract with the corporate giants in the country such as
7 I.B.M., et cetera, and for that reason they need to be
8 on-airport to provide them with what is viewed as the most
9 efficient means of servicing a rental customer.

10 On the other hand, the off-airport companies tend to
11 serve a large percentage of vacationers and leisure travelers
12 who are on very tight budgets. And for that reason, we need to
13 try to minimize the costs that we incur and therefore try to
14 minimize the rental price that we charge our customers.

15 The on-airport companies on the other hand are free
16 to charge a much higher rate because what their clients, the
17 actual corporations, many of them -- that are in contracts with
18 Hertz, for instance, or Avis, for instance -- are looking for is
19 a level of convenience to their employees as they travel around
20 the country, which they perceive to be above that of the
21 off-airport companies.

22 For that reason Hertz is consistently on-airport.
23 Avis is consistently on-airport. If they don't choose to use
24 the off-airport locations.

25 Around the country they have threatened airports
26 with going off the airport, as with companies such as Alamo, and

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1 locating near the airport, busing their customers over; but in
2 reality they've never done that anywhere except Houston Hobby
3 Airport. And within a year after doing that, they were back to
4 the airport begging to get back on. They realized that that
5 type of setup is not the means to best serve their particular
6 customer base.

7 My understanding is they've recently received
8 approval to go back on the airport in Houston.

9 So, what I am saying is that any threat they would
10 have to go off airport is, in reality, a facade for an attempt
11 to try to hold down the competition from the other companies out
12 there which are trying to better serve leisure customers, a
13 customer base which is completely different from that of Hertz
14 and Avis.

15 As far as the decisions in California itself, there
16 is the Orange County decision in which the airport authority has
17 been ordered to refund all of the money which was collected and
18 to cease collecting any further. That is subject to appeal.

19 But my suggestion would be, in the best interests of
20 everyone involved, to wait until after that appeal is concluded
21 before considering imposing any percentage fees. It seems like
22 the most sensible manner in which to proceed, given the legal
23 action.

24 There are other cases around the country which are
25 still pending, for instance, the Sarasota decision in Florida,
26 there, the issue of commerce clause violations on a -- of a

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1 national level, Federal law rather than State law, is still
2 pending on appeal. The issue as far as the Fourteenth Amendment
3 has been resolved in that particular circuit, a circuit unlike
4 the one out here, obviously.

5 I think that many airports around the country have
6 abandoned the idea of imposing a gross receipts fee, and instead
7 have adopted a per-contract fee or a per-shuttle-bus-trip fee,
8 which they believe fully compensates them for the expenses which
9 the Airport incurs as a result of the shuttle bus trips.

10 We don't have a problem with paying a per-contract
11 fee or a per-trip fee which is reasonable to compensate the
12 Airport for wear and tear or on the roadways, for traffic
13 control, et cetera. That's the reason why Las Vegas, for
14 instance, abandoned percentage fees on per-contract. That's why
15 Fort Lauderdale is about to go on the per-contract fee. That's
16 why Orlando is using a per-contract fee in addition to a small
17 per-shuttle-bus-trip fee.

18 Those sorts of arrangements are reasonable ones and
19 ones in which we would cooperate with the airport in attempting
20 to work out, so that everyone can have their particular needs
21 resolved to the best interests of all parties.

22 When you're talking about paying a percentage fee,
23 you're talking generally about turning over information to the
24 Airport which we consider to be proprietary and confidential and
25 information which we should not have to reveal to the Airport or
26 any other public entities, because we are not in a contractual

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1 relationship with the Airport.

2 The only relationship we have with the Airport is
3 that we drive up our shuttle buses.

4 The only other additional benefit we derive is that
5 we pay extra money for a bank of telephones on the airport
6 that's a separate item. It's not at all connected with driving
7 up the shuttle buses, and we think it's proper to charge
8 separately for those phone banks.

9 Those are the problems that we see with the proposal
10 in its present form. And we would suggest that instead of a
11 percentage fee, that the Airport explore the possibility of
12 simply a per-trip fee or possibly a per-contract fee, something
13 that's designed to reasonably compensate the Airport for the
14 expenses that it incurs.

15 MR. TURPEN: Thank you.

16 DR. GOOSBY: There is a phone bank? There is a
17 phone bank out there that even the off-airport people have
18 access to?

19 MR. TURPEN: Well, I'll tell you, I don't know the
20 answer to that question.

21 DR. GOOSBY: How do people contact the off-airport
22 rental agencies?

23 MR. TURPEN: Is there a phone bank? Down at
24 hotel/motel?

25 MS. GITTENS: Yes, at the hotel/motel stand.

26 MR. TURPEN: There is, down by the hotel/motel.

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1 DR. GOOSBY: There is a phone bank, which is private
2 lines for the off-airport people.

3 MR. TURPEN: I'm sure it's a ring-down system.

4 DR. GOOSBY: And they put their phone there, with
5 their name on it.

6 MR. TURPEN: It's through the hotel/motel contract.

7 DR. GOOSBY: Oh, through that contract. Okay. But
8 their name is not on it? They have to ask for them?

9 In other words, I'm trying to see, if I got off an
10 airplane, and I wanted to call Alamo --

11 MR. TURPEN: Just pick up the Alamo phone and it
12 rings automatic. It's an auto-dialer.

13 DR. GOOSBY: Does it have Alamo's name on it?

14 MS. GITTENS: I believe Alamo is on there. I don't
15 remember.

16 MR. TURPEN: I think it is.

17 MS. GITTENS: There are quite a few off-airport
18 rental cars on there. I don't happen to remember if Alamo is.

19 DR. GOOSBY: There is some advertising at the
20 airport, then. Right?

21 MS. DUVALL: Is that all through the hotel/motel
22 advertising mechanism?

23 MS. GITTENS: Yes.

24 MR. TURPEN: Yes.

25 MS. DUVALL: So, that's not a direct relationship
26 with the Airport.

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1 MR. TURPEN: Correct.

2 I would, if we've heard all the speakers, I'd
3 suggest two things, consistent with the Commission's policy,
4 that they close the public hearing and take the matter under
5 advisement, and the Staff stands ready to execute any
6 instructions the Commission might have in the interim.

7 MR. STEPHENS: Mo, is that all right? Is that all
8 right?

9 MR. BERNSTEIN: Yeah.

10 That's it.

11 MR. TURPEN: The public hearing is now closed.

12 MR. BERNSTEIN: All right.

13 MS. CARAMATTI: There's one more item.

14 MR. TURPEN: Yes, there's one other item.

15 Would it be helpful to the Commission if Staff were
16 to convene a quasi-prebid type conference with some of the
17 persons who wanted to share some more detailed views with the
18 Staff, and then bring those back to the Commission, along with
19 our views for the next meeting?

20 MR. BERNSTEIN: Um-hum.

21 MR. TURPEN: I'd suggest, we have a meeting on
22 July 18th, and I'd suggest that -- I don't even know what today
23 is, the 6th?

24 I think that what we can do is if the Commission
25 would permit -- we have a holiday beginning of July, which
26 throws the meeting schedule off a little bit -- but we could

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1 come back to the Commission on July 18th, having accomplished
2 that, set up a meeting, and distill all that information into a
3 package for the Commission on the 18th of July, if that's
4 agreeable.

5 MR. BERNSTEIN: Yes.

6 MR. MURPHY: I think that's sensible.

7 MR. BERNSTEIN: Yes.

8 MR. MURPHY: I think this is a very significant
9 decision, and it should be very carefully thought through.

10 MR. TURPEN: Well, then we will have a quasi,
11 somewhat like a quasi-prebid --

12 MS. DUVAL: Would you include in that information
13 some background on the per-contract fee relationship that
14 Mr. Hurst spoke to?

15 MR. TURPEN: Be delighted to.

16 DR. GOOSBY: And then examine our policy, our
17 historical policy as a Commission, as it relates to small
18 businesses. Do we have that?

19 Because it's been my impression that we have had a
20 policy trying to encourage the development of small business.

21 MR. TURPEN: That's right. And the definition of
22 that as well, I think we went through a definition of that.

23 DR. GOOSBY: Would it be consistent with this
24 proposal?

25 MR. TURPEN: Okay.

26 MR. STEPHENS: Also maybe a little more on the

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1 proposal that we exclude from the provision businesses below a
2 certain dollar amount, with names of who that would include and
3 who it wouldn't include, and if we have an idea of what the
4 gross revenue of the various off-airport people are.

5 MR. TURPEN: Sure.

6 MR. STEPHENS: Kind of a comparison with those
7 against Hertz.

8 MR. TURPEN: Be happy to.

9 DR. GOOSBY: And the rationale for that. The
10 rationale for that. Don't just do it because it's arbitrary,
11 less than that and so much gross.

12 MR. TURPEN: Right.

13 MR. STEPHENS: But what's our rationale for the
14 fifty thousand.

15 DR. GOOSBY: Right. Consistent.

16 MR. STEPHENS: Right.

17 DR. GOOSBY: Consistent. That we could use in
18 future times --

19 MR. TURPEN: I understand.

20 DR. GOOSBY: -- and what we've used in past time.

21 Because if we just keep it "small," and it's not in
22 keeping with our past and future positions, should we do it?
23 Can we?

24 MR. TURPEN: What we will do is we will have this
25 meeting at our earliest convenience, and we'll send at least a
26 draft summary of it --

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1 MR. BERNSTEIN: There's one speaker on this,
2 Mr. Kantoff wanted to say something.

3 Do you want to say something now?

4 MR. KANTOFF: If I may.

5 DR. GOOSBY: And how much cheaper are their rates
6 than Hertz and Avis and the big boys? How much cheaper are they
7 really?

8 MR. TURPEN: Mr. Kantoff, which item are you going
9 to speak to?

10 MR. KANTOFF: The ground transportation. The off --

11 MR. TURPEN: Off-airport rent-a-car?

12 MR. KANTOFF: Yeah.

13 MR. TURPEN: You'll have to reopen the public
14 hearing to take his testimony, Commissioner.

15 MR. BERNSTEIN: Hum?

16 MR. MURPHY: Let's just reopen it.

17 MR. TURPEN: Reopen the public hearing for his
18 testimony, and then you can close the public hearing again.

19
20 MARTIN KANTOFF

21 MR. KANTOFF: My name is Martin Kantoff, I represent
22 the San Francisco Ground Transportation Operators.

23 MR. TURPEN: I'm sorry, speak into the mic directly.

24 MR. KANTOFF: Okay.

25 MR. BERNSTEIN: Speak into the mic, please.

26 MR. KANTOFF: Actually, I didn't intend to speak

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1 today because I didn't think that this issue was going to come
2 up this quickly. And what I'd like to do is just basically
3 share some information with you that I've acquired over the past
4 few months.

5 I had the opportunity of traveling to Washington,
6 D.C., and meeting with members of Congress, the Senate, and the
7 Department of Transportation on this very issue. And quite
8 frankly, it's a can of worms that nobody has wanted to open up
9 as yet.

10 Everyone is studying the issue. There are people on
11 both sides of the issue. The Department of Transportation has
12 just issued a summary of their findings which seems to come down
13 directly into the middle of the situation.

14 As you know, around the country, there is
15 litigation, there is appeals, there's arguments for, there's
16 arguments against.

17 The last time we had a meeting concerning this, we
18 were talking about the rates for the shuttle bus service. At
19 that time it went from 35 cents to 70 cents, and it was my
20 understanding there would be a consideration of a dollar come
21 January 1st. And now, four, five months later, we've abandoned
22 the fee system and are immediately going into a discussion of
23 percentage of gross.

24 I can assure you, despite what you've heard here
25 today, although there are two or three companies which are
26 large -- such as Alamo and Thrifty -- the basic off-airport

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1 car rental company is a small mom and pop operation. These
2 people basically serve the tourists that come into
3 San Francisco. And they serve them with lower rates, because
4 they have neither the fleet, the advertising, or the facilities
5 that Hertz or Avis would have.

6 Although Hertz and Avis and companies like that
7 claim that they're losing market share, and of course the "off"
8 car rental companies have risen to 22 percent. But what that
9 means conversely is that four companies dominate 78 percent of
10 the industry.

11 If I had 78 percent market share of any industry, I
12 would be very content.

13 The argument that was proposed here today, that
14 Hertz has never threatened to leave the airport, is erroneous.
15 I was told that by Secretary Skinner of the Department of
16 Transportation. I was told it by other members of the
17 Department of Transportation. It's been widely circulated.

18 What is the purpose of this fee? Basically in
19 Hertz' view, in my opinion, to drive out or down competition.
20 And I think that you should seriously consider this.

21 Thank you very much.

22 MS. DUVALL: Mr. Kantoff, who do you represent?

23 THE WITNESS: The San Francisco Ground
24 Transportation Operators. It's an organization of motels,
25 hotels, ground transportation.

26 That's another issue -- I'm glad you asked me

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1 that -- because in discussing it with one of the lobbyists for
2 the airports in Washington, she said to me "After we're done
3 with the car rental companies, then we'll look at the motel and
4 hotel situation."

5 I don't understand how you differentiate between car
6 rental companies in this case and hotels. Hilton is on the
7 airport. Would you then go after the other hotels to get a
8 percentage of their gross? It's a real can of worms. I think
9 you really should consider it.

10 Thank you.

11 MS. DUVAL: Thank you.

12 Mr. Turpen, I'd like to be sure that we have as
13 complete as possible a list of off-airport operators and
14 whatever estimates of their relative measure of their size. It
15 may or may not be revenue.

16 MR. TURPEN: On the rent-a-cars, you mean.

17 MS. DUVAL: Yeah.

18 DR. GOOSBY: How much they're charging, too.

19 MS. DUVAL: Yeah.

20 MR. TURPEN: I understand.

21 MS. DUVAL: Plus the fee structure, the best we can
22 determine.

23 Also, I am assuming that all off-airport operators
24 are currently contracted with the Airport for ground
25 transportation access. That that is the universe of operators.
26 That that is the universe of operators that we're talking about.

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1 Is that right?

2 MR. TURPEN: I think there is one that is not. The
3 remainder are.

4 DR. GOOSBY: They have to pay that per-pass.

5 MR. TURPEN: That is correct, sir.

6 MS. DUVALL: I'm sorry, you need to be a little more
7 specific. There's one who doesn't access the airport?

8 MR. TURPEN: With the exception of one, all the
9 others have executed an operating permit to come to the airport
10 and pay the per-trip charge, which the Commission authorized
11 earlier this year.

12 MS. DUVALL: Then they all have their transponders
13 and all the rest of that stuff.

14 MR. TURPEN: That is correct. That is correct.

15 MS. DUVALL: Okay. Thanks.

16 MR. TURPEN: I suggest we close the public hearing
17 at this point, Mr. President, and then reopen a new one on cargo
18 rental rates.

19 MR. BERNSTEIN: Fine.

20 MR. TURPEN: Ladies and gentlemen, the Commission
21 will be considering the matter of proposed increase in cargo
22 rental rates at this time.

23 Do we have anybody to speak to that one,
24 Commissioner?

25 Is there anyone to speak to the cargo rental rate
26 increase?

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1 I would then declare the public hearing closed, and
2 the Staff will come back to the Commission at its next meeting
3 with the appropriate resolution.

4 MR. BERNSTEIN: Fine. The meeting is closed.

5 MR. TURPEN: Thanks. Short Executive Session.

6 Ladies and gentlemen, the regular meeting of the
7 Airports Commission is concluded. The Commission will be going
8 into Executive Session to confer with the Airport's General
9 Counsel. I ask at this time at the public excuse itself. Thank
10 you for your attendance.

11 (Meeting adjourned at 10:27 a.m.)

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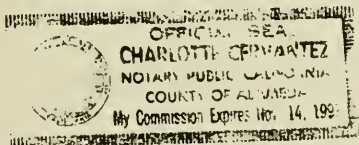
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1 STATE OF CALIFORNIA)
2) ss.
3 COUNTY OF ALAMEDA)
4

5 I, the undersigned, a Notary Public of the State
6 of California, hereby certify that foregoing Airports Commission
7 Meeting and Public Hearings were held at the time and place
8 herein stated; that the proceedings of said Meeting and
9 Public Hearings were reported by me, a Certified Shorthand
10 Reporter and disinterested person, and were thereafter
11 transcribed under my direction into typewriting; that the
12 foregoing is a full, complete and true record of said Meeting
13 and Public Hearings.

14 I further certify that I am not of counsel or
15 attorney for either or any of the parties in the foregoing
16 Meeting and Public Hearings, nor am I in any way interested in
17 the outcome of the causes named herein.

18 IN WITNESS WHEREOF, I have hereunto set my hand
19 and affixed my seal this 23rd day of June 1989.
20



24
25
26

A handwritten signature in cursive script that reads "Charlotte Cervantez".

CHARLOTTE CERVANTEZ

CSR #4486 - Notary Public
State of California

BAY AREA COURT REPORTERS

Dear Commissioner

I would like at this to convey the complaints of my customers that the limo drivers from these services in the terrace and are given the wrong rate for cab fare to San Francisco and other bay area cities. I think that this is what is going on in New York and and I don't think you would like SFO turned into JFK.

I would like to see ~~as~~ as much attention given to the limos as you give to the taxis. such as ID's. Buying tickets \$1.50 to pick loads

other such restrictions as you impose
on the tapes .

Sincerely

 #778
Yellow Cat ^{Box 2} 39674
5-4-1875

6/5/89

To Whom it May Concern:

It has been my experience that Associated Limo employees consistently misrepresent taxi fares to San Francisco from the Airport.

Many of my customers ask me if I realize that limo drivers are "bustling" at the baggage carousels. Limo drivers, I've been told, say cab fare to town is \$40 (actually, it's about \$22) and people would save money avoiding taxis.

Every day, hundreds of our potential customers are re-directed to limousines by deceit and dishonesty. We are all aware of this. Unless this limo operation changes, we will know it is sanctioned by the Airports Commission and will take further steps to protect our livelihood.

Limousines may be necessary ground transportation, but they must be operated fairly. Unless they are, and very soon, trouble will ensue.

Sincerely

Dennis M. Higgins (A-1928)
Yellow Cab

457-3356 (H)

It witnessed limousine drivers trying to solicit passengers from the terminal. The drivers say it's cheaper than a cab which which costs a time. A cab ride averages \$24 and the limos are charging much more. My passengers tell me stories how some drivers have after people trying to leave them into limos. The limo drives like the Doorman in major hotels in downtown San Francisco by giving them \$5 for getting their limos. My feeling is they use unfair and unethical practices in their service.

Carlino Jensen
Yellow Cab driver #320
Badge # 38386

Dear Airport Com.

This statement is to tell you that, We cab drivers have been noticing. Limo drivers soliciting fares in a lot of hotels in town and specially at the airports. And also people from the airports who have talked to this limo drivers at the airport misinform the public on how much a cab fare to town really is like they tell the public that a cab fare to ~~downtown~~ downtown S.F. is \$40.00

Jack Mount
1434 48th ave S.F.
CA. 94122
A 2263

My name is James C. Anderson and I have been a San Francisco cabdriver for over 10 years. I can verify that limousine drivers are conducting business improperly and illegally at SFIA because I hear reports about it continually from my passengers.

Limo drivers hang around the baggage areas and solicit business, skimming off the longer fares. They give people wildly inflated price quotes for taxi transportation, for example \$35.00 for a cab ride into the city. If that doesn't work, they try to convince people that the taxis won't have room for their luggage. This kind of thing goes on continually, and not only are individual limo drivers doing this, but the limo desk itself gives out deliberately false information.

James C. Anderson
A card # A2609
badge # 35136
June 4, 1989

June 4, 1989.

Dear Sirs,

I am a San Francisco Taxi Driver and have been for 2 years. I have had complains from my customers at the airport, SFO; that limo Drivers have solicited them for fare to the city and points beyond, saying the cab fares are higher than what they are. I think if we had a Booth in the terminals, it would cut our mis-representation alot.

Yours Truly

Daniel J. Decker

Yellow Cab
#39371

Dear Sir

AT the airport there is a Lot of
Soliciting going on By Limosine
Drivers acting Like Taxi cab please pay
attention to it.

I dont Like to spend 2 to 3 hours at the airport
waiting for a Fair If you are a business man
or men doing the same Job Like Tam.
doing to earn a Living you will put
a stop to this thing

And we would Like to have a Booth inside
to take them.

Thank you
Simon Marina

Simon Marina

Badg # 40346

June 4, 1956

Dear Sirs

I have witnessed
limo drivers solicit travelers
& misquote cab fares to
San Francisco & vicinity
and I resent this
encroachment on cab
driver territory. Please
see what can be done
about this, as our business
is suffering as a result.

Robert Allen
Vet. cab.
badge 37779

6/4/89

Dear Sirs;

I am concerned about Associated Limousine soliciting travelers in the terminal. I have seen them do this on my way to use the restroom facilities. I have also been told by passengers who have been quoted an exorbitant cab fare by them. I don't think this is a fair business practice since we are not allowed in the terminal to communicate cab fares or encourage passengers.

Shulem Berkengas
37908

90: AIRPORT COMMISSIONERS:

6/4/89

The Limousine drivers double park their limo's & go inside & hustle up rides by saying a cab rate into the city is \$30.

We all know the metered rate runs approximately \$23! This misrepresentation needs to be curbed.

They also misrepresent themselves by saying they are cab drivers and are going directly after taxi loads.

A taxi Information Booth ~~would~~ ^{next} to the Limo Booth inside would provide the customers with honest information & at least give us a competitive chance).

Sincerely,

Gwendolyn Flash
City Cab
Badge #39351

(Home phone: 821-6120)

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

SPECIAL MEETING

JUNE 27, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

June 27, 1989
Special Meeting

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Minutes
of the
Airports Commission Meeting

June 27, 1989
Special Meeting

A. CALL TO ORDER:

The special meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:

Morris Bernstein, President
Z. L. Goosby, Vice President
Sharon B. Duvall

Patrick A. Murphy arrived after roll
call at 9:02 AM

Absent:

Donald R. Stephens

* * *

K. CLOSED SESSION:

The meeting recessed at 9:02 AM to go into closed session and reconvened at 9:07 AM.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 6, 1989 were adopted by order of the Commission President.

No. 89-0116

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. PENDING LEGISLATION:

Item No. 1 was adopted unanimously.

1. Resolution Opposing AB 1506

No. 89-0117

Mr. Lou Turpen, Airport Director, explained that the particular concern of this bill is the limitation it will impose on an airports ability to require a charter party to have a permit or to operate with any degree of constraint other than the broad constraint that might be contained in the legislation. This will erode the capability of an airport proprietor to operate its airport and set reasonable rules and regulations which are in the best interest of the facility. He said that the airport is a public utility and there are significant security concerns. To have companies operating on the Airport outside of a framework that has been established by the Commission is inappropriate.

Mr. Turpen said that if the Commission agrees he will transmit the Commission's position to our legislative lobbyist in Sacramento as well as to appropriate members of the State Assembly and Senate.

Commissioner Goosby added that as this legislation would also interfere with an airports right to charge a fee for these permits, it will effect our revenue as well.

Mr. Turpen agreed. This bill goes a little further than the Alamo bill but it is the same type of revenue argument. He said that he was concerned that since we won't be able to permit operators, we won't know who they are. He told the Commission that anyone taking any type of public conveyance from the Airport feels that the Airport, in some way, shape or form, is guaranteeing or ratifying that conveyance. He said that once a proprietor's ability to make rules and regulations, which are in the public interest, is eroded there will be real problems.

Commissioner Murhpy commented that if a passenger is injured by one of these vehicles, that passenger will not only assume that that operator had the approval of the responsible governmental body but they will assume that the responsible governmental body will be answerable in tort for the injuries.

Mr. Turpen said that the City's lobbyist will argue our case for us. Staff has also made several calls on the Alamo bill and will make calls on this bill as well.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following items were adopted unanimously.

2. Award of Lease:

North Terminal Hub Principal Concession Lease for Retail Merchandise Sales

No. 89-0118

Resolution awarding the North Terminal Hub Principal Concession Lease for Retail Merchandies Sales to Host International.

Mr. Turpen said that this space was previously controlled by Duty Free Shoppers. The bid, which was won by Host International, was slightly in excess of \$1.3-million. There are three locations, with the largest at 3,000 square feet.

3. Award of North Terminal Bookstore Lease

No. 89-0119 Resolution awarding the North Terminal Bookstore Lease to Host International.

4. Award of Garage Taxi Staging Area Mobile Catering Leases

No. 89-0120 Two resolution awarding the Garage
No. 89-0121 Taxi Staging Area Mobile Catering
 Leases to Acosta Catering.

Mr. Turpen explained that two shifts are required to provide catering services to the garage taxi staging area. Mr. Rudy Acosta was the high bidder on both the day and evening shifts.

5. Award of Contract No. 1907B:
Waterproofing North Terminal Roof

No. 89-0122 Resolution awarding Contract No.
 1907B, Waterproofing North Terminal
 Roof, to Echo West, Inc., for
 \$976,404.00.

Mr. Turpen said that this contract provides for remembraning the North Terminal roof, which has been the subject of considerable debate, several studies, litigation and a settlement claim.

Commissioner Goosby asked if the Airport won that litigation.

Mr. Don Garibaldi, Airports General Counsel, responded that the Airport will recover \$230,000.00.

Mr. Turpen said that the basic issue is that we have a physical problem in the North Terminal and this is intended to address that problem. The membrane will be removed, the cracks will be repaired, and the membrane will be reinstalled to waterproof and seal the roof.

Commissioner Bernstein asked how much the original roof cost.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that the original roof was between \$500,000 and \$600,000. We recovered almost half the cost and we have had the roof for ten years. He said that it was supposed to be a 15 year roof and was guaranteed for five years.

6. Award of Contract No. 1946:
International Terminal Carpet Replacement

No. 89-0123 Resolution awarding Contract No. 1946
 to American Contractors Interiors,
 Inc. in the amount of \$490,000.00.

Mr. Turpen said that the International Terminal has carpet in four prime locations, namely the North/South Connectors, Boarding Area 'D' and the arrivals area and lobby outside of Customs.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, told the Commission that this contract will replace all of the carpet on the upper level, and inside and outside of the Customs arrival area.

Commissioner Duvall asked how much life we got out of the current carpet.

Mr. Bouey responded that it has been in place for six years.

Commissioner Goosby asked what the problems have been.

Mr. Turpen responded that this carpet needs to be replaced on the natural but it has never met our expectations with respect to stain resistance and cleaning, even after all of the testing done on it.

Mr. Bouey added that the new carpet will have the identical construction and content of fabric as the North Terminal carpet. He said that we have been very lucky with that carpet and it has lasted almost 10 years.

Mr. Turpen told the Commission that the carpet in the International Terminal was tested thoroughly before it was purchased. The problems incurred were due more to color and expanse than anything else. It tested beautifully on stain removal. He said that everything showed up on the carpet in the International Terminal and cleaning frequencies were far greater there than in any other part of the Airport.

Commissioner Goosby asked if the old carpet becomes the property of the contractor.

Mr. Bouey responded that it does. He added that this carpet is not in very good shape and will have no resale value.

7. Award of Contract No. 1979:
Parking Lot 'D' Resurfacing and Extension

No. 89-0124

Resolution awarding Contract No. 1979 to O'Grady Paving, Inc. in the amount of \$768,500.00.

8. Authorization to Receive Bids:
Public Lockers and Over-the-Counter Baggage Storage

No. 89-0125

Commissioner Goosby said that he received a letter from Morris Technologies suggesting that the number of lockers be reduced to 200 lockers because of their electronic equipment.

Mr. Turpen said that they are welcome to bid if they wish, however, he did not feel it appropriate to tailor the bid specifications.

Commissioner Duvall agreed with Mr. Turpen. She asked if staff has seen a test of this and if it is a viable application.

Ms. Angela Gittens, Deputy Director for Business and Finance, responded that staff has seen a prototype. She said that it seems to work fine and felt it was an interesting concept. The French railway stations currently use this system. She said that although it is not in use in the U.S., this company is making proposals to several U.S. airports which don't require a bidding process. She said that Logan Airport looks like it might be their first prospect.

Ms. Gittens said that this is not something that we need to jump into. Morris Technologies, the company that manufactures this equipment, has been trying to vend their system to locker companies but they have not had any takers.

Commissioner Duvall asked if there was anything in our specifications that would disallow this technology from being applied.

Ms. Gittens responded that our previous specifications, which would have prevented Morris Technologies from bidding, were amended so that they can now bid on this lease.

Commissioner Duvall said that she did not understand the difference. Staff specified 444 lockers and they say they can accomplish the same revenue stream with 250. She asked Ms. Gittens for an explanation.

Ms. Gittens said that she could not explain it. She said that the company claims that their findings have been that there are more rotations per locker with this system. She said that the company claims that because of the confidence the public has in it, useage is higher and for shorter periods of time. She said that the rate structure can be tailored to short time periods. Because there is higher utilization per locker, not as many lockers are needed.

Commissioner Duvall assumed that because of the increased per unit cost of the sophisticated electronics, fewer units will be installed in order to be competitive with the straight mechanical application.

9. Increase in Rental Rates for Permitted Cargo Space

No. 89-0126

Mr. Turpen reminded the Commission that it held a public hearing on these rates at the last meeting. This item requests approval for the increase. He said that there were no negative comments at the public hearing, nor were any received in the interim.

Commissioner Goosby was impressed by the fact that this increase has not been protested. He suggested that they could have been raised a little higher.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were unanimously adopted.

10. Resolution to Add Bar Facility to Boarding Area 'A' and Expand Cafe Espresso in Boarding Area 'F'

No. 89-0127

11. Travel/Training for Fiscal Year 1989-90

No. 89-0128

Commissioner Bernstein asked if each of these conferences will be attended by a staff member.

Mr. Turpen explained that under the City's procedure for travel a department is required to obtain advance approval for all trips. Based on the Commission's prior direction to staff, a complete list of anticipated travel is submitted at one time for the fiscal year.

Commissioner Duvall asked if Mr. Turpen had information on each of these events.

Mr. Turpen responded that he did not. He said that staff could return to the Commission for each trip rather than request a blanket approval. He said that he knew that the FAA will hold workshops and seminars on security and emergency management at some point during the year but he did not have any information relative to a date or a place at this time. He added that site visits on concessions are listed for eight airports yet staff has not made more than two or three in the last year.

Mr. Turpen told the Commission that only about 25% of the trips listed are actually taken. This is a wish list which allows staff the latitude to pick and choose appropriate trips. He said that this process is the easiest way to handle this item but he would be happy to follow any other procedure the Commission wished. He said that with this procedure he does not have to worry about getting the necessary approvals in time to take a trip. He added that there isn't enough money in the budget to take all of these trips. He said that a couple of trips to Washington, D.C. have been thrown in in the event that a member of staff should have to go back to testify or meet with members of Congress. He explained that if the Airport received a call today requesting that a member of staff appear in Washington at the end of the week, a special meeting would have to be set up in order to obtain Commission approval, or, the trip would have to be delayed two weeks until approval could be obtained at the next meeting. This is not a problem at other airports. He felt that it made good sense from an administrative standpoint not to have to return to the Commission for each trip. Staff tried that process and found it to be particularly cumbersome and ineffective.

Commissioner Murphy said that he was persuaded completely and did not want travel presented on an item-by-item basis. He said that if the Commission has confidence in the Director and staff to handle things properly and not allow any abuses, that should be the end of it.

Commissioner Goosby thought that it would be a good idea for Commissioners to attend some of these conferences. It would provide members with a view of what is happening in the industry.

Mr. Turpen said that in the past the Commission had expressed an interest in attending AOCl's annual meeting. This year it will be held in Houston in October. Commissioners should review the list and notify him of any conferences of special interest.

Commissioner Bernstein asked about the Art Exhibition meetings.

Mr. Turpen explained that some of the trips dealing with the Art Exhibition Program are actually set up to go and collect materials and bring them back for display at the Airport.

* * *

H. PUBLIC HEARING:

The public hearing was convened at 9:35 AM and adjourned at 9:38 AM, there being no public comments.

12. Fiscal Year 1989/90 Rates and Charges

Mr. Turpen called the Commission's attention to page 2 of the staff memo which shows the rates and charges. Landing fees and terminal rentals rates will be going down. Airline contribution to the Airport will be going down. He said that we are down almost half of the airline contribution that existed in 1981 and almost half of the landing fees.

Commissioner Goosby said that the very fact that the airlines are not present at this meeting indicates that they endorse these rates and charges. He said that this shows good management on the part of staff. He did not feel that the public was aware of how effectively this Airport is being run.

Mr. Turpen said that staff will return at the July 18 Commission meeting with a resolution to approve these rates and charges.

* * *

I. NEW BUSINESS:

Mr. Turpen introduced a resolution commending Jim Ripp, Manager of Traveler's Aide at SFO for the past 10 years. He said that Mr. Ripp is very dedicated and completely supportive of the Airports Commission, Airport staff and SFO. His volunteers do an outstanding job.

Commissioner Bernstein noted that this is one of the unsung jobs performed on a voluntary basis. He said that Mr. Ripp has been with Traveler's Aid for 10 years and that organization provides a great service to the traveling public. This is the sort of service that makes us all feel a little better. He said that he is familiar with some of the people associated with Traveler's Aid and their dedication.

Commissioner Bernstein said that Mr. Ripp not only has the thanks of the Airport but the thanks of the people of the City and County of San Francisco as well.

The resolution was adopted unanimously.

No. 89-0128

* * *

J. CORRESPONDENCE:

Mr. Turpen remarked on a June 22, 1989 letter from Walter Johnson of the AFL-CIO regarding Eastern Airlines proposed July 2 re-start of operations at SFO. He said that the letter makes several requests which are clearly outside of the Commission's and Airport's jurisdiction. The Airport is preempted by the FAA in these requests.

Commissioner Bernstein commented that the Commission and the Airport are 100% behind labor, however, the Commission and the Airport operate under limitations. SFO cannot refuse Eastern the right to land here and he believed that Mr. Johnson knew that.

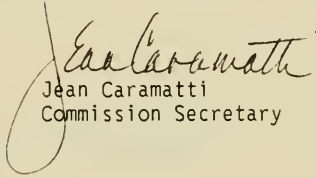
Mr. Turpen told the Commission that a strike/demonstration permit has not yet been requested. He said that if there is a demonstration on Sunday, staff will be prepared to deal with it.

Commissioner Goosby commented that Host has outbid its competitors on the last couple of bids by tremendous margins. They are obviously very competitive and it will be difficult to outbid them when their lease is up in 1994. He said that to obtain a voluntary 36% minority/women participation would be an obvious advantage for the City. If the lease is bid terminal by terminal, either Host, Duty Free or Dobbs will receive the awards. The leases will certainly not go to small/local entrepreneurs unless they are bid concession by concession.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:43 AM in order to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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AUG 18 1989

SAN FRANCISCO
CALIFORNIA 94128

MINUTES

JULY 18, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Minutes
of the
Airports Commission Meeting

July 18, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duvall
Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 27, 1989 were adopted by order of the Commission President

No. 89-0130

* * *

A court reporter's transcript of this meeting is attached.

* * *

D. DIRECTOR'S REPORTS:

1. Associated Limousine Service and Taxicab Industry - Background and Recommendations

This package includes comments from Associated Limousine, the taxicab industry and Airport staff on the existing limousine operation.

2. Report on AB 2491, AB 1506 and Sheriff's Charter Amendment - Verbal Report

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Items 3 through 5 were adopted unanimously.

3. Request for Air Train, Inc. For Variance from Noise Abatement Regulations

No. 89-0131

Resolution directing Director of Airports to designate an independent hearing officer to hear and make findings with respect to Air Train, Inc.'s request for a variance from Commission's Noise Abatement Regulation.

4. Authorization for Pre-RFP Conference - Agreement for Operator Assisted Long Distance Service from Pacific Bell Public Pay Telephones

No. 89-0132

5. Approval of Contract 2174: Changeable Message Sign

No. 89-0133

Resolution to approve the advertising of bids to install two changeable message signs, with safety walks, rails and lighting, over the road approaching the Terminals. The messages will be controlled from a remote location. Estimated total project cost \$219,000.

Item No. 6 was put over to the August 1, 1989 meeting.

6. Consent to Assignment of Duty Free/In-Bond Lease from Allders International, Ltd. to Allders International USA, Inc.

Items 7 through 9 were adopted unanimously.

7. Rejection of All Bids and Authorization to Re-Bid Contract No. 2163: Airport Fuel System Repair and Related Work Year 1989-1990

No. 89-0134

Resolution rejecting all bids and authorizing the Director to re-bid for Contract No. 2163 Airport Fuel System Repair and Related Work Year 1989-1990.

8. Award of Contract No. 1559C:
Taxiway 'R' Repair & Reconstruction

No. 89-0135

Resolution awarding Contract No. 1559C to O'Grady Paving, Inc. in the amount of \$1,088,625.00.

9. Award of Contract No. 2044R:
International and North Terminal Underground Tanks Replacement

No. 89-0136

Resolution awarding Contract No. 2044R to UNICON Corp., in the amount of \$395,000.00.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Items 10 through 17 were adopted unanimously.

10. Adoption of Fiscal Year 1989/90 Rates and Charges

No. 89-0137

Resolution adopting (1) Commercial and general aviation landing fees and (2) Terminal rental rates for fiscal year 1989/90 and authorizing a \$7,500,000 supplemental appropriation from unappropriated surplus to the operating fund.

11. Shuttle Bus Service Agreement No. 68252, Modification #7

No. 89-0138

The Airports Commission is being presented with a Resolution adjusting both the 1989 hourly rates and the 1988 unanticipated insurance premium reimbursements for our Shuttle Bus service contract operated by SFO Shuttle Bus Company. The Resolution adjusts the 1989 hourly rates effective January 1, 1989, from \$30.5558 to \$30.5001 per basic hour and from \$21.2100 to 21.1519 per incremental hour; reimbursement for unanticipated 1988 insurance premium payments is adjusted from \$17,968.00 to \$9,179.27.

12. The Parry Contract

No. 89-0139

Contract for the Parry Company to produce four noise impact area contours to be used on the Quarterly Report and at the Airport Roundtable. The contract also provides for appearances by representatives of the Parry Company to substantiate the noise contours (\$30,000).

13. Authorization to Conduct Pre-Bid Conference for International Terminal and North Terminal Cigarette Vending Lease

No. 89-0140

14. Design Review Approval:
California Products Shop - North Terminal

No. 89-0141

Resolution approving the schematic designs for the remodeling of the California Products Shop in the North Terminal Building.

15. Design Approval of International Terminal Principal Concession Retail Premises

No. 89-0142

Resolution approving the design for the mid-term renovation of the International Terminal Principal Concession Retail premises.

16. Award of Contract No. 2067:
Timber Pile Repair

No. 89-0143

Resolution awarding Contract No. 2067 to DRSML Divers J.V., in the amount of \$201,359.00.

17. Resolution Ratifying Personnel Actions

No. 89-0144

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

H. PUBLIC HEARING:

The public hearing was convened at 9:45 AM and adjourned at 10:15 AM, there being no further public comments.

18. Continuation of Public Hearing on Proposed Privilege Fees for Off-Airport Rental Car Companies

* * *

I. NEW BUSINESS:

There was no discussion by the Commission.

* * *

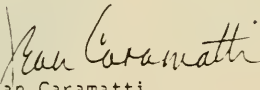
J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 10:15 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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AUGUST 15, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN
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DR. Z. L. GOOSBY
Vice President

DONALD R. STEPHENS
SHARON B. DUVALL
PATRICK A. MURPHY

LOUIS A. TURPEN
Director of Airports

San Francisco International Airport
San Francisco, California 94128

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of the Minutes
Airports Commission

August 15, 1989

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I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

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M. ADJOURNMENT TO GO INTO CLOSED SESSION: 15

Minutes
of the
Airports Commission Meeting

August 15, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	Z. L. Goosby, Vice President
	Donald R. Stephens
	Sharon B. Duvall
	Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 18, 1989 were adopted by order of the Commission President.

No. 89-0147

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 89-0146 regarding SFO Airporter judgment payment at the closed session of July 18, 1989.

* * *

E. SPECIAL ITEM:

The following item was adopted unanimously.

1. Commendation - Jefferson Ng

No. 89-0148

Resolution of Commendation for Jefferson Ng, 1988 Recipient of the William B. O'Brien Perpetual Award for Employee Excellence.

Mr. Lou Turpen, Airport Director, introduced Officer Jeff Ng as the

recipient of the William R. O'Brien Perpetual Award for Employee Excellence. He explained that this award was created in recognition of Bill O'Brien's outstanding contributions to the Airport over many years. Each year, in commemoration of Mr. O'Brien's outstanding service, an employee demonstrating the same standard of excellence is recognized.

Mr. Turpen said that Officer Ng has repeatedly demonstrated his willingness to take that extra step. He has shown competence, compassion, professionalism on the job, and concern and commitment for the training and development of other officers thereby setting the highest standards possible for both the San Francisco Airport Police and peace officers in general. Officer Ng has had a diverse range of services beyond the call of duty, serving not only as patrol officer but functioning as FAA liaison, bomb technician and field training officer for the past 13 years. He has received numerous commendations for outstanding performance in his field. These include risking his own safety in disposing of a bomb device from a locker, receiving a commendation for his exceptional statistics on the midnight shift which demonstrate self-motivated, self-initiated crime prevention, uncovering an auto burglary and arrest of five suspects at the United parking lot, and he was part of a collective effort in the arrest of two armed robbers, demonstrating quick response and sound professional tactics.

Mr. Turpen said that he was very proud to present Officer Ng as the recipient of this award.

Commissioner Bernstein congratulated Officer Ng on behalf of the Commission. He said that it was his type of motivation that makes San Francisco International Airport what it is. He thanked Officer Ng for his outstanding efforts.

Officer Ng thanked the Commission for this honor and expressed his appreciation at being a part of San Francisco International Airport and the Airport Police.

Mr. Turpen told the Commission that Bill O'Brien passed away about three years ago and this was the Airport's way of remembering a brilliant engineer and as well as recognizing a level of excellence in employees.

Commissioner Goosby thought that this was a good idea and asked if it would be possible to offer a cash award of \$50 or \$100 as well.

Mr. Turpen said that he would look into it.

* * *

F. DIRECTOR'S REPORT:

2. Status Report on Valet Parking

Mr. Turpen said that this was a follow-up to an earlier Commission request to take a look at Valet Parking after the rate increase. He said that at this point Valet Parking continues to generate revenue to the Airport. The Commission has historically demanded that Valet Parking maintain a break-even operation. It was never the Commission's intention to subsidize the operation.

Mr. Turpen said that Valet Parking is currently generating about \$580,000 a year, with about \$370,000 in expenses. He said that the

operation has experienced a drop in patronage but did not know whether that drop was due to the rate increase or whether it was tied to Skypark, an in-door parking facility that opened up right off the Airport.

Mr. Turpen said that there is a suggestion that there be a further rate modification to the rate package which would mean continuing with the \$25.00 fee for the first day but dropping the daily fee for each subsequent day from \$25.00 to \$20.00. Further, there is a suggestion to offer some type of incentive through a rebate or frequent parker program.

Mr. Turpen said that at this point the Valet operation has stabilized and is generating revenue. He suggested that staff continue to monitor it for the next few months and the Commission can make a decision after the first of the year when staff returns with a report on Valet's annual numbers.

Commissioner Goosby asked what Skypark charged.

Mr. Turpen responded that they charge \$10.00 a day.

Commissioner Duvall asked if Valet offers any extended services, such as a car wash facility.

Mr. Turpen responded that it is currently just the basic Valet service, however there have been discussions about that possibility in the past.

Commissioner Duvall asked if the Airport decided that it did not want to provide those enhanced services.

Mr. Turpen responded that he thought that at the time that staff had provided a list of possible services, Valet patronage had fallen off and was not covering its expenses.

Commissioner Duvall suggested that it might be possible to charge an additional fee for those services to enhance the business.

Mr. Turpen said that staff will return after the first of the year and take a look at those additional services based on the annual projections.

* * *

G. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Goosby asked Mr. Turpen if he was going to reply to Mr. Chinn's letter concerning AirTrain's variance request and his comment that the Commission, to date, has not denied a variance request. He said that that statement is inaccurate.

Mr. Turpen agreed that it was not accurate and said that he would respond to Mr. Chinn's letter. He said that Evergreen, DHL and Flying Tiger were approved. Braniff was denied. Braniff returned to the Commission with a request for reconsideration. That request for reconsideration was for a 60-day variance as opposed to the two-year variance they had originally requested. He explained that there are three categories, those that are approved, those that are withdrawn and those that have been denied. Mr. Turpen said that out of the six requests for variances, three were granted, two airlines withdrew their requests and one request, submitted by Braniff, was denied. Braniff subsequently returned to the Commission with a request for a 60-day variance as opposed to the two-year variance

originally submitted. That request was approved.

Commissioner Bernstein asked Mr. Timothy Treacy, member, San Francisco Airport Noise Committee, if he wished to address the Commission.

Mr. Treacy responded that he was informed by the Director's Office that the item was to be put over and said that he had no comments.

Commissioner Goosby asked Mr. Turpen if he had seen the August 7 letter from Associated Limousine in which Associated claims that the Airport granted permission to two vans to carry passengers to San Francisco in violation of an exclusive contract that Associated Limousine has with the Airport.

Mr. Turpen said that he has not seen the letter in question.

Commissioner Goosby said that he wanted to see a copy of Mr. Turpen's reply to Associated. He said that it was his understanding that there have been no exclusive contracts awarded since the problem with Airporter. He said that if that is incorrect then he would be interested in knowing the details surrounding the decision to grant permission to those vans.

Mr. Turpen noted that Commissioner Goosby's copy of the Associated Limousine letter did not indicate that he was to receive a copy. He said that he would look into the matter.

* * *

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

The following item was put over.

3. Application of AirTrain, Inc. for Variance from Noise Abatement Regulation

Resolution granting application of AirTrain, Inc. for variance from Airports Commission's Noise Abatement Regulation.

Mr. Turpen explained to the Commission that the AirTrain variance is being put over in order to address some serious questions that have come up with regard to their request. He said that he would like to give AirTrain an expeditious review of their request but the questions created such uncertainty that he could not ask the Commission to make a decision today. The questions surrounding the request include FAA certification and proper certificates. AirTrain has been advised that their item would not be heard at this meeting and that they would not be able to begin operation on August 20, 1989, per their contract with the U.S. Postal Service. Staff has given them some options in that regard and further told them that this matter would not be before the Commission until September 5.

Commissioner Duvall asked what effect this would have on mail services.

Mr. Turpen said that apparently a lawsuit has been filed involving Evergreen, the Postal Service and AirTrain. AirTrain has had to obtain certain certifications from the FAA which have not been

timely. AirTrain suggested a substitute operator but the substitute operator would have to obtain a variance as well and they have not applied for one. He said that he did not know if Evergreen's contract with the Post Office will be extended until such time as AirTrain's situation is straightened out, or, if AirTrain will bring in another type of aircraft to comply with our noise regulation. In that event, all that would be needed is an operating permit.

Mr. Turpen said that this item will be rescheduled for September 5 if everything falls into place. He told the Commission that staff made a suggestion to the Postal Service that future contracts should require the contractor to be compliant with the noise regulations of the airports at which they will operate.

The following items were adopted unanimously.

4. Resolution Accepting Nomination of Greiner, Inc. as Consultant for Runway Reconfiguration Study

No. 89-0149

Selection Committee has considered the proposals from three pre-qualified firms, interviewed the team members, and unanimously recommended that Greiner, Inc. be selected to receive the contract.

Mr. Turpen said that the ALUC and the Roundtable have asked for an evaluation of the possibility of reducing Airport noise through some modification, reorientation or reconfiguration of the Airport runway system. The Commission agreed to that request and directed staff to proceed with the selection of a consultant. Staff went through a process and the Selection Committee consisting of Duke Briscoe, Deputy Director of Operations, Roger Chinn, Chairman of the Airport Community Roundtable, John Costas, Bureau of Planning and Construction, and, Barbara Sahm, Environmental Review Officer with the Department of City Planning unanimously selected Greiner Engineering as the firm most qualified to meet our needs in this project.

Commissioner Goosby asked what the time frame is for this project.

Mr. Turpen responded that the first phase will take six months. The study is designed to self-terminate if the first phase is not positive. He expected to return after the first of the year at which time the Commission will decide whether or not to go into the second phase.

Commissioner Goosby asked if this firm had the personnel and expertise to handle each of the three areas.

Mr. Turpen responded that they did. Greiner is a nationally recognized engineering firm dealing with airports and environmental issues.

5. Consent to Assignment of Duty Free/In-Bond Lease from Ailders International, Ltd., to Ailders International USA, Inc.

No. 89-0150

Mr. Turpen said that at the Commission's direction staff took another look at this assignment. It is the City Attorney's opinion that the

law provides that the assignor remains obligated under the lease unless the Airport releases them. The language was constructed to protect the Airport in that regard.

Commissioner Stephens said that he did not have a problem with it.

Commissioner Murphy asked if they were providing the Airport with a guarantee from the parent.

Mr. Robert Mayers, Acting Airport General Counsel, responded that Don Garibaldi, Airport's General Counsel, reviewed the assignment and concluded that the parent corporation is legally obligated under the assignment. Mr. Mayers said that he did not know if the assignment agreement specifically states that it is a guarantee.

Commissioner Murphy believed that the Allders attorney indicated that we could get an guarantee if we wanted one. He said that he was happy as long as the parent company was clearly on the hook and that the assignment agreement has been looked at with an eye toward waiver suretyship defenses. He said that his concern was a guarantee or obligation without that.

Mr. Turpen said that it was stated in a letter to Ms. Gittens.

6. Assignment of International Terminal Candy Shop Lease to Duty Free Shoppers, Ltd.

No. 89-0151

Resolution approving the assignment of the International Terminal Candy Shop to Duty Free Shoppers, Ltd.

Mr. Turpen explained that this is an assignment of the existing lease for the candy shop in the International Terminal, located on the right hand side of the concourse. He said that Duty Free Shoppers has the right of first refusal and they have agreed to continue with the sale of bulk candy at this location for the remainder of the lease.

Commissioner Goosby said that Duty Free has the right of first refusal in 1990 to take over the Skyline Candy concession and Skyline has negotiated with Duty Free to pick up their lease now.

Mr. Turpen said that Duty Free is picking up Skyline Candy's commitment through the end of the term. They have the right of first refusal for that space at the end of the term.

Commissioner Goosby asked what sort of legal footing the Airport would have given the fact that the bidders for this concession were not allowed to participate in negotiations with Skyline Candy.

Mr. Turpen responded that Duty Free has the legal right to assume responsibility for that space, with the consent of the Commission. The Commission does not have to grant permission but he did not know what purpose that would serve.

Commissioner Goosby asked if the right of first refusal would come into play only at the termination of the lease, or, if it could happen at any time.

Mr. Turpen responded that he wouldn't want to answer that question without referring with Counsel. He was not certain exactly how the language reads but he would be happy to pull the specific language and come back at the next meeting.

Commissioner Goosby commented that had he been a bidder he might have wanted a crack at this space. He wanted to make sure that the Airport had a firm legal footing. He said that he would have no problem if it is legal.

Mr. Turpen added that the right of first refusal was an open issue at the time of the bidding process back in 1981 or 1982. He said that if there is a concern he would be happy to take a look at it and return to the Commission.

Commissioner Goosby suggested passing it pending review of the language.

Mr. Turpen agreed.

7. Recommendation to Modify Airport Police Retirement Plan

No. 89-0152

Mr. Turpen said that these issues are negotiated outside of the purview of the Commission, however, he thought it appropriate to have the Commission's views on the matter. He recommended that the Commission support it as it offers certain benefits to the Airport as well as to the Police Department in terms of continuity and personnel.

Mr. Turpen explained that the Commission's action will have no effect on this issue. It is merely advisory and intended to place the Commission's views on record. He anticipates that this will be the subject of discussion within the next year.

8. Award of Contract No. 1952:
Runway 28L Overlay and Reconstruction

No. 89-0153

Resolution awarding Contract No. 1952 to O'Grady Paving, Inc. in the amount of \$11,088,785.00.

9. Candy Mann - Trial See's Candy Cart

No. 89-0154

Mr. Turpen explained that this is a trial to sell See's Candy in the North Terminal for a period of six months. He said that if the concession is successful it will be presented to the Commission as a regular concession opportunity. Mr. Turpen explained that this cart is situated alongside the escalator at the security checkpoint to Boarding Area 'F'.

Commissioner Duvall asked if See's had a candy cart at any other location.

Mr. Turpen said that this is See's first location at SFO. He did not know if they were located at any other airport.

Commissioner Duvall said that she liked the idea.

Commissioner Goosby asked if Candy Man was contracting with See's to

sell their candy and if this would be an extension of Candy Man's candy/flower shop.

Mr. Turpen responded that that was correct.

Commissioner Goosby agreed that it was nice to have See's Candy at the Airport.

Commissioner Duvall asked if this was to be operated under a license agreement.

Mr. Turpen responded that they are operating under a franchise agreement.

Mr. Bob Rhoades, Airport Property Management, added that See's is ecstatic about this. They are doing between \$1500 and \$2000 a day.

The following item was put over.

10. Airport Advertisement

Resolution authorizing staff to place a full page advertisement in Fortune Magazine and authorizing the Director to contract with an ad agency for the development of the advertisement.

Mr. Turpen explained that Fortune Magazine is doing a major Pacific Basin issue and the Airport has an opportunity to participate. A full page advertisement will run approximately \$50,000. He said that the Airport rarely participates in such things but due to the City's interest in the Pacific Rim and in anticipation of the development San Francisco as a major gateway, the Airport is considering it. He said that he is simply recommending this as an opportunity that needs to be evaluated.

Commissioner Duvall asked if this has been coordinated with the Convention and Visitors Bureau.

Mr. Turpen responded that it has been coordinated with James Ho of the Mayor's Office but not with the Convention and Visitors Bureau. He said that Mr. Ho was favorably disposed to the idea if the Commission wished to pursue it.

Commissioner Duvall felt that there should be some coordinated effort with the Convention and Visitors Bureau as they have some direct responsibility to promote San Francisco. She felt that this may have some merit but she also felt that coordinated efforts with other agencies having mutual concerns should be considered.

Mr. Turpen said that he would forward this information to the Bureau and tell them that the Airport would be happy to participate.

Commissioner Stephens said that the Airport should examine what type of participation it will consider. He said that there is advertising and an overall position. If the purpose is to bring in new business he did not know if it would work. He would like to see the theory behind the layout and the ad that would cause more people to do business with us. He asked if this piece would push San Francisco or the Airport.

Mr. Turpen said that San Francisco Airport is the gateway to an area which is tremendously diverse both culturally and in the business world. He said that the idea of San Francisco as an accommodating and attractive gateway will continue to be promoted.

Commissioner Stephens felt that the Commission should take a look at the ad before the Airport commits \$50,000. He said that if this will do us some good it is money well spent.

Mr. Turpen said that he will solicit the Bureau's comments and work with them if the Commission decides to proceed.

Commissioner Duvall said that at the very least we should find out if the Bureau intends to run an ad.

Commissioner Bernstein asked who else would be placing ads.

Mr. Turpen said that he did not know however he felt that all of the players in the Pacific, from businesses to municipalities, will be in this issue.

Mr. Turpen said that location is presently the key to involvement in the Pacific Rim and SFO enjoys a location which allows us to reach Asia essentially non-stop. The new 747-400 will allow us to reach every Pacific Basin destination from San Francisco non-stop. Conversely, it will also allow Pacific Basin destinations to reach interior U.S. airports non-stop. The further spectre of twin engine airplanes flying to Honolulu from interior U.S. cities and connecting with a Honolulu hub is there as well. He suspected that within two or three years twin engine flights will be authorized over the Pacific from Honolulu. The Pacific has always been essentially a four-engine region because of the distances involved. The 747-400 will place a new dynamic into the situation. Denver and Dallas are not that far away and they are clearly interested in pursuing Pacific activity, as well as Seattle, Vancouver and Portland on the coast. Phoenix and San Jose are twin-engine distance away from Honolulu, which is a major connecting point.

Mr. Turpen explained that presently a twin engine aircraft must be within 60 minutes of a place to land. That is possible over the Atlantic, but not the Pacific. This limit can be extended up to 120 minutes under certain criteria. It is possible, technically, to cross the Pacific to Honolulu in a twin engine aircraft. The problem is that there is nothing but water between here and Honolulu and the distance is too great to manage on only one engine. He said that there has been significant effort by a number of groups to authorize twin engine operations over the Pacific.

* * *

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

11. Resolution Modifying Lease and Use Agreement with Northwest Airlines, Inc. - Modification No. 4

No. 89-0155

Resolution modifying Northwest Airlines, Inc. Lease and Use Agreement No. 82-0199 relinquishing certain premises in the International Building back to the City.

12. Bid Call - Contract No. 1889:
North Terminal Carpet Replacement Phase III
No. 89-0156 Resolution approving the scope, budget, and schedule for Airport Contract No. 1889 and authorizing the Director to call for bids when ready.
13. Duty Free/In-Bond Concession - Design Approval
No. 89-0157
14. North Terminal Hub Principal Concession - Design Approval
No. 89-0158
15. Close-Out Contract 1464:
Boarding Area 'B' Apron Extension
No. 89-0159
16. Retirement - William Kelly
No. 89-0160
17. Approval of Claims Settlement
No. 89-0161
18. Resolution Ratifying Personnel Actions
No. 89-0162 Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

J. NEW BUSINESS:

Commissioner Bernstein asked Mr. Timothy Treacy if he wished to address the Commission.

Mr. Timothy Treacy, San Francisco Airport Noise Committee, said that he appeared before the Commission several months ago to express the Committee's concerns regarding the runway reconfiguration study. He said that at that time he was reassured that consideration would be given to the problem of paths. He said that his Committee attended the public forum on Working Paper 'B' and also filed written comments. He said that

while those comments were noted in the addendum to Working Paper 'B' there was no response. They see no consideration being given to their concerns in Working Paper 'C'. He said that Working Paper 'C' was authorized to be issued on June 6 but was not issued until some time in July. He said that his Committee asked for an extension of time in which to file comments beyond the August 18 deadline. He said that they were denied that request and will meet the August 18 date.

Mr. Treacy said that Working Paper 'C' is described as a landside document. It specifically excludes any consideration of the runway side, i.e. aircraft operations. It does not discuss projected increases in operations, what runways will be used or what types of aircraft will be involved. He said that there is little discussion of the noise impact and no discussion at all of the impacts on the western and southern portions of San Francisco. He said that they were also very concerned that stale data is being used. Mr. Treacy said that the small consideration given to the noise impact is based upon April-June, 1986 data. Since that time changes have been undertaken such as the shift from the use of runway 8 to runway 1. He said that the study needs to be upgraded substantially in that regard.

Mr. Treacy said that Chapter 7 deals with forecasted passenger growth. The growth that is proposed under the plan exceeds the recommendations that are stated under the Metropolitan Transportation Commission/ABAG Airport Plan Study. He said that his Committee's concern is that this plan, which excludes any consideration of the flight operations and therefore any consideration of the noise impacts, in forecasting passenger demand, will exceed the capacity and arrive at the need for an additional runway. They see no recognition given in the master plan process to that item.

Mr. Treacy said that his Committee wants the Commission and Airport staff to recognize that there is a noise problem in western and southern San Francisco. Implementation of this master plan is only going to exacerbate that problem. His Committee would like to see an admission of the problem and a study of attempts to mitigate it.

Commissioner Bernstein interrupted Mr. Treacy and told him that according to statements he has just made, the inference is that the Airports Commission and staff are not doing anything to mitigate the noise problem. Commissioner Bernstein told Mr. Treacy that the Airport is currently in a lawsuit with the FAA to keep noisy aircraft out of SFO. In that process the Airport has jeopardized \$25-million in Federal funds in addition to the money spent on legal fees. He asked Mr. Treacy what made him think that his Committee knew more about this issue than Airport staff.

Commissioner Goosby told Mr. Treacy that the runway issue is a separate study. The Commission gave its approval to hire a firm to undertake that study at this meeting. That study will determine if there will be a detrimental impact on noise. He told Mr. Treacy that he appreciated the Committee's concerns.

Mr. Treacy said that while he appreciated Commissioner Goosby's comments he said that the EIR will be tied to the master plan. The runway reconfiguration study may also be tied to the parameters of the master plan. The way the master plan stands now it excludes consideration of any noise impact in San Francisco. He said that they were only asking that the problem be recognized and that they be allowed to present a potential mitigating solution. He said that there are solutions and his Committee has proposed them to the FAA.

Commissioner Goosby wondered if language could be added to the master plan that would prohibit the plan from exceeding a certain decibel point.

Mr. Turpen responded that the problem is that the government deregulated civil aviation for a reason, i.e., the government wanted free access for an airline to fly anywhere it wanted. The FAA clearly supports it and will take no responsibility for noise. The Airport has absolutely no control outside of its noise regulation to deny anyone access to SFO.

Mr. Turpen said that FAA is currently withholding \$40-million in funds designated for SFO because of our lawsuit.

Mr. Turpen said that he understands Mr. Treacy's concerns and that Mr. Treacy's Committee has not been responded to specifically on each point. He asked Mr. John Costas, the Airport's chief planner, to address the Commission.

Commissioner Bernstein told Mr. Treacy that he is not being belligerent. He said that he was angry because his Committee should realize that the Airport spends an enormous number of hours trying to resolve the problem and the Commission should not be accused of being insensitive to the needs of their neighbors. He said that the Airport has insulated schools and homes and done what it could to mitigate the problem but as long as there are planes there will be noise. He felt that Mr. Treacy's Committee should join the Airport in its efforts rather than make accusations.

Mr. Costas said that he has discussed this process with Mr. Treacy and the Noise Committee and he explained that the master plan process does and will consider the concerns presented by the Noise Committee. These considerations will be addressed in the Environmental Impact Report which will look at all of the impacts as well as the benefits. However, before an EIR can be done, a plan must be in place. Mr. Treacy has been advised of this. The Airport is in the process of doing an EIR on the master plan right now.

Mr. Costas also said that Mr. Treacy feared that the runway study will be tied to the master plan.

Commissioner Goosby said that the master plan does not address the runway configuration study.

Mr. Costas said that the reason that the master plan does not address the runways is because the master plan specifically states that the forecasted traffic does not call for additional runways. A separate study will be done on the runway system that will deal with noise.

Commissioner Goosby said that Mr. Treacy's point was valid.

Mr. Costas said that this runway study is another effort by the Commission in addition to all of the money the Airport has already spent to mitigate noise.

Commissioner Goosby understood what Mr. Costas was saying but he did not feel it would hurt to add some language to the master plan that would satisfy the concerns of the Committee with regard to addressing this issue.

Mr. Costas said that that could be accomplished in the EIR.

Mr. Treacy noted that under the provisions of the California Environmental Quality Act, if the issue is not raised in the master plan it is unlikely that the EIR will address it. That is their concern.

Mr. Treacy concluded his remarks by saying that he was not accusing the Commission of anything. His Committee has worked with the utmost cooperation with Mr. Turpen. They have supported his staff and have written letters to the FAA requesting that the Airport's funds be released.

They are making efforts on every possible level. This Commission is a very important forum for them. It is an opportunity for them as citizens and residents of San Francisco to come before the Commission to make their concerns known and ask that they be given consideration. They are willing to work with the Airport.

* * *

K. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

M. ADJOURNMENT TO GO INTO CLOSED SESSION.

There being no further calendared business before the Commission the meeting adjourned at 9:54 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

SEPTEMBER 5, 1969

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President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

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Minutes
of the
Airports Commission Meeting

September 5, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Donald R. Stephens
Sharon B. Duval

Absent: Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 15, 1989 were adopted by order of the Commission President.

No. 89-0166

* * *

D. ANNOUNCEMENT BY SECRETARY:

In accordance with Section 54957.1 of the Brown Act, Jean Caramatti, Commission Secretary announced unanimous adoption of resolution no. 89-0164, modification no. 1 to agreement with Morrison and Foerster at the closed session of August 15, 1989.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

1. Application of AirTrain, Inc. and Ryan International Airlines for Variance from Noise Abatement Regulation

No. 89-0167

Resolution granting application of AirTrain, Inc., and Ryan International Airlines under specified conditions.

Commissioner Bernstein asked Mr. Timothy Treacy, Airport Noise Committee, if he wished to address the Commission.

Mr. Treacy asked the Commission why Ryan International was included and if it was a separate variance.

Mr. Treacy said that his Committee attended the hearing on this issue and stated their opposition to the application. He said that the reason for the Noise Committee's opposition to this variance is that AirTrain is a new entrant, not an existing carrier as were the other applicants for variances. The purpose of the noise regulation, as identified in Section 1 of the regulation, is "to provide for continual reduction of noise." He added that Mr. Wharton stated in his findings that this will increase the overall level of noise so it is contrary to the stated purpose of the noise regulation.

Mr. Treacy said that even though AirTrain will replace Evergreen, Evergreen will still have its variance. AirTrain's original application for variance sought a complete exemption from the 25% rule because none of its operations complied with the noise regulation. AirTrain will seek an additional exemption from the nighttime hours limitation in 1991. He presumed that that would be addressed at a later time under Mr. Turpen's recommendation.

Mr. Treacy said that Mr. Wharton states on page 6 of his findings that AirTrain obtained the U.S Postal Service contract knowing the Airport's noise regulation. AirTrain stated that it had to go ahead and submit its bid pursuant to the requirements of the Postal Service. Mr. Treacy said that the Noise Committee was sympathetic and they understood some of the economic problems involved, but approval of this variance will present a dangerous precedent. If this variance is granted it will be difficult to rationalize denial of any variance in the future. Further, it will add to the noise problem rather than reduce it as AirTrain is a new entrant to SFO. He said that AirTrain has presented the Airport with a take it or leave it situation.

Mr. Treacy recommended that AirTrain's request for variance be denied.

Commissioner Bernstein asked Mr. Curt Holtzinger, Airport Noise Committee, if he wished to address the Commission.

Mr. Holtzinger asked for clarification of Ryan International's role in this variance. This is the first time that Ryan's name has appeared on AirTrain's request for variance.

Mr. Lou Turpen, Airport Director, responded that Ryan's participation revolves around the question of FAA certifications. Ryan is coming in on an interim basis to allow execution of the Postal Service contract and, in effect, will operate aircraft for AirTrain until such time as the FAA administrative process is concluded. At this time there is no reason to suspect that there is any impediment.

Commissioner Goosby asked why Ryan was entering the process.

Mr. Turpen responded that AirTrain needs certain FAA certifications in order to operate. Ryan will act as a substitute for AirTrain pending their receipt of those certifications.

Mr. Holtzinger said that the Roundtable sent a letter to the Commission opposing this variance. The major concerns of the Roundtable were similar to Mr. Treacy's arguments. He said that AirTrain was fully aware of the rules and did not seek a variance prior to filing for the contract.

Mr. Holtzinger said that to date six variance applications have been received, four of which have been granted, one was withdrawn and one was denied. There is a concern that the regulation is not being enforced vigorously and that this sets a dangerous precedent of allowing a new entrant in and not requiring them to abide by the rules. He said that it is one thing to work with airlines who are operating and grandfather them in under a new ordinance, but to throw the ordinance out for new entrants is a bad step.

Commissioner Bernstein asked Ms. Carol Gamble if she wished to address the Commission.

Ms. Gamble, representative of the Glen Park Association, said that she opposed granting the variance to AirTrain. The position of the Glen Park Association, and of many other neighborhoods in San Francisco, is that the purpose of the noise regulation is to protect residents from business decisions that are made by corporations operating airlines. These applicants made a business decision not to comply with San Francisco's noise regulation. It was in their economic interest to make that decision. They came forward with the application knowing the terms of the regulation and expected to be granted a variance despite that knowledge and despite the Commission's public statements in support of this regulation. Ms. Gamble said that the Association feels that the burden of this business decision should not be placed on the residents of San Francisco. These economic decisions are made with full knowledge of the facts and the residents of San Francisco should not be saddled with the results. She asked that the Commission deny the variance for the reasons already stated and to show the Commission's support of the noise regulation and its concern that the appropriate precedent be established.

Commissioner Bernstein asked Mr. Jack McInteer if he wished to address the Commission.

Mr. Jack McInteer, General Counsel and former President of Ryan International, explained to the Commission that AirTrain ran into a defect in its reliability program. He said that this is a monitoring program to make sure that maintenance programs are handled properly. He said that the defect was technical but it takes a while to correct it. During this time they will be supervised by Ryan managers and will operate pursuant to Ryan standards. The schedule will be run with AirTrain airplanes, crews and mechanics. No additional airplanes will be placed on the AirTrain schedule.

Commissioner Duvall said that what this boils down to is a question of incidence of noise. She said that she understands the proposed variance to be a continuation of operations as they currently exist in terms of the level of operations and the noise impact to the area.

Mr. Turpen said that approximately a year and a half ago Evergreen requested a variance which the Commission granted in great measure to

Evergreen's involvement with the U.S. Postal Service and the fact that San Francisco is the major airmail transfer point in Northern California. He said that in retrospect there were two things that should have been done. We failed to go to the U.S. Postal Service and advise them that award of their contract would not necessarily cause a variance to be granted. We also failed to tie the Evergreen variance to the length of the Postal Service contract. He explained that there will be approximately a three to four month overlap as Evergreen's variance runs to the end of the year. Although staff will ask Evergreen what their intentions are for the remainder of the variance, there is a spectre of five additional operations per week between now and the conclusion of Evergreen's contract on December 31, 1989.

Mr. Turpen said that with respect to AirTrain, staff has gone to the U.S. Postal Service and advised them that any future contracts should obligate the contracting party to meet the noise regulations of those airports being served. He said that staff has conditioned this variance for the remainder of the year, thus obligating AirTrain to return to the Commission almost immediately with a further definition of their plans. This variance is also conditioned upon AirTrain continuing as the contractor for the Postal Service in addition to other conditions which have been fairly standard in prior variances for the 727-100. He explained that one of the things being looked at is their retrofit program and the possibility of upgrading the 727-100 and making it wholly compatible with our operations. Mr. Turpen explained that AirTrain must wait in line for this retrofitting and unfortunately they are not at the head of the line as some of the other applicants have been.

Mr. Turpen said that one reason why such a short time frame is being placed on this request is because there has been some initial confusion with respect to FAA certification authority on the maintenance check program. There has also been uncertainty with the U.S. Postal Service contract and litigation involving that contract. There also needs to be further clarification on the acquisition of hushkits for the 727-100.

Commissioner Goosby asked if there had been some question on the effectiveness of the hushkits.

Mr. Turpen responded that there were three or four different hushkits. Staff had a high degree of confidence in the Pratt and Whitney retrofit. The one to which Commissioner Goosby was referring related to procedural issues regarding the 707. He said that he would check it out.

Mr. Turpen said that he recommended granting a variance through December 31, 1989. This would obligate AirTrain to return to the Commission no later than November 1, 1989 with a request for a new variance based on whatever new information they might have at that time. This would include their ability to solve their technical problems with the FAA. The Commission will also have a clearer picture of the current litigation between the U.S. Postal Service, Evergreen and AirTrain as well as AirTrain's ability to get on the retrofit list for Stage III aircraft.

Commissioner Goosby said that it would also give staff the opportunity to evaluate the effectiveness of the retrofit.

Mr. Turpen said that the Commission has approved certain variances based on a specific retrofit. Other retrofits are available and we would want to take a careful look at them as well.

Mr. Turpen reminded the Commission that this is the seventh request for variance. Of those requests, DHL and Evergreen were granted variances and Northwest, Flying Tiger and one other airline withdrew their requests. Braniff's request was denied and subsequently granted on appeal and is now meeting the requirement with a stage III aircraft.

Mr. Holtzinger offered a point of clarification and said that as a condition of each variance a representative of the airline must attend Roundtable meetings. Currently, there are four airline representatives attending Roundtable meetings...DHL, Canadian, Evergreen and Braniff.

Commissioner Goosby said that at the end of the year the Commission will have an evaluation of the Stage III hushkits for the 727-100 aircraft. This variance will expire on December 31, 1989 unless the Commission is satisfied with the hushkit and extends the variance. In the interim, a representative of AirTrain will attend the monthly Roundtable meetings. Commissioner Goosby asked if the hearing officer made a recommendation.

Mr. Don Garibaldi, Airports General Counsel, recommended granting the variance.

Mr. Turpen said that staff will return with answers that will hopefully satisfy the Commission's questions. The Commission will be asked to render a further decision on this issue at that time.

Commissioner Goosby commented that AirTrain is seeking a variance for a period of two years.

Mr. Turpen said that within the next three to four months staff will hopefully have far more definitive answers than could be offered today. At the same time, AirTrain will have an opportunity to take a look at the way it operates. If AirTrain can't meet the Commission's expectations they can examine alternative measures. He said that one alternative for AirTrain is to bring on a compliant aircraft.

Mr. Turpen told the Commission that mail is presently being trucked over to Oakland from SFO.

Commissioner Goosby hoped that the opponents to this variance understand the Commission's concerns. Presently, neither the Commission nor the Director intends to grant this variance beyond December. He said that he would be very reluctant to consider a request for any further extension of this variance without meeting the requirements of the ordinance. He thanked the residents for sharing their concerns with the Commission.

2. Award of North Terminal, Gate 64 Newsstand Lease

No. 89-0168	Resolution awarding the North Terminal, Gate 64 Newsstand Lease to SFO News/Western Motives.
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Commissioner Goosby asked what other locations they have at the Airport.

Mr. Bob Rhoades, Airport Property Management, responded that they have Western Motives which is a sublease to Duty Free, and Personal Priorities which is their own. They are also operating the newsstand in the North Terminal Hub.

Commissioner Goosby asked if the Airport ever changed its small business definition to correspond to the Human Rights Commission's definition.

Mr. Turpen responded that we have not. He said that the Airport's definition is better. He said that he would do a comparison for the Commission.

Commissioner Goosby commented that the Federal Government's definition is way out of line.

Commissioner Bernstein told the Commission that there are 19,000,000 small businesses in this country. Congress recently presented an award to the best conducted small business which does slightly under \$20-million a year.

Commissioner Bernstein asked how the Airport defined small business.

Mr. Turpen responded that the Airport defines it at \$600,000.

3. Award of Pacific Bazaar Lease

No. 89-0169

Resolution awarding the Pacific Bazaar Lease to ABC Cigar, Inc.

Commissioner Goosby reminded the Commission that when Host International begins bidding on these concessions the chances of local/minority/women businesses getting these leases is almost nil.

Commissioner Stephens said that ABC Cigar bid almost three times the next bidder.

Commissioner Duvall asked how many square feet this space involved.

Mr. Rhoades responded that it is 2,049 square feet.

Commissioner Duvall asked what product line would be carried.

Mr. Rhoades responded that the product line would be a variety of Pacific goods having a bazaar-like approach. The goods can range in price from \$20.00 up to \$500.00 and will be reminiscent of the bazaars in Istanbul and Asian countries. The concessionaire will have a lot of latitude but the concession must have a Pacific Basin orientation.

Commissioner Duvall asked if food items will be allowed. -

Mr. Rhoades responded that packaged food items will be allowed. He said that the lease requires representation from four or five Pacific Rim countries.

Commissioner Duvall asked if this is a new venture for ABC Cigar.

Mr. Rhoades responded that it is.

Commissioner Duvall asked what kind of background was required.

Mr. Rhoades responded that a business background was required but he did not believe that there was a specific requirement for experience in the bazaar arena as this is a different type of merchandizing and retailing.

Commissioner Duvall assumed that the company would expect to do approximately \$4-million a year in 2,000 square feet in order to meet their minimum.

Mr. Rhoades responded that this is the second busiest area on the Airport.

Mr. Turpen said that we are getting about \$1.3-million for the Hub newsstand which is 3,000 square feet.

Commissioner Duvall said that the newsstand was a general merchandize bid.

Commissioner Stephens asked if ABC Cigar was the woman-owned company.

Mr. Turpen responded that it is owned by Marsha Givens. ABC Cigar used to lease the newsstand.

Commissioner Stephens remembered that they were beaten out of a lease about six months ago.

Commissioner Duvall said that she was glad to see this award.

4. Resolution Acknowledging the Merger of the Flying Tiger Line, Inc. into Federal Express Corporation

No. 89-0170

Resolution acknowledges the acquisition and merger of the Flying Tiger Line, Inc. by Federal Express Corporation with Federal Express continuing as the surviving corporation with assignment of rights and interests.

5. Budget Rental Car Relocation Rental Credit

No. 89-0171

Mr. Turpen told the Commission that staff is working with the on-Airport rent-a-car companies to develop facilities which will carry them beyond the year 2000. He said that the only way to accomplish this in an area which has limited space is to build up. He said that the Commission is aware of the intention to build multi-story rent-a-car garages. The rent-a-car companies have indicated that they are prepared to engage in a long term commitment to the Airport based on their ability use these facilities. This item simply allows the Airport to make way for the initial development of one of the rent-a-car structures.

Commissioner Goosby asked why approval was being sought before the master plan is approved or an EIR is completed.

Mr. Turpen responded that this is a risk but the problem will have to be addressed ultimately. Building up is our only alternative. He said that this move will free up space for construction. There is a certain element of risk in moving ahead at this point but staff believes that that risk is worth taking. He told the Commission that the space will be utilized even if the Commission opts to do nothing.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, told the Commission that this will save about five or six months time in the construction of the master plan projects. This will have to be done sooner or later unless the Commission feels that the master plan will not move forward. He felt that it was better to proceed than to wait.

Commissioner Goosby believed that it would be done eventually but he did not feel it was prudent to take this on before approval of the EIR. He asked who, besides the Commission, must approve the EIR.

Mr. Yuen responded that the Board of Supervisors must approve the EIR and that may take a long time.

Commissioner Goosby said that if the Director still believed that this should be done in spite of the risk, that was good enough for him.

Mr. Turpen said that he has given this a lot of thought. He said that this operation continues to grow as the passenger base grows. If we don't go vertically we will have to provide additional space for the rent-a-car companies in order to maintain the revenues for the Airport. That extra space will have to be provided and this is an opportunity to do so. He said that it is only risk-taking if one assumes that this money is wasted if we don't proceed with the master plan. He doesn't believe that this money will be wasted if we don't proceed.

Mr. Turpen said that the Airport is responding to the efforts of the community. It is the community that causes people to come to San Francisco, not the Airport. The City is expanding the Moscone Center, more and more hotel rooms are being built, we continue to try to attract business, we are attempting to build a downtown stadium. All of these things are designed to continue to promote our basic business which is tourism. The community supports those efforts. The Airport simply happens to be the welcome mat and we must respond to everything that goes on in the City. We are responding to the tremendous passenger demands which are generated by San Francisco.

Commissioner Duvall asked Mr. Yuen to explain the six month time frame.

Mr. Yuen explained that the first step is to vacate the lots. Work will then be done on substations and underground utilities. Before any of that can be done the rental cars must be moved out of the way.

Commissioner Duvall asked if staff will act immediately to move the rental cars with the approval of this expenditure.

Mr. Yuen responded that he will return to the Commission after October 17 to ask that architects and engineers be retained to begin designing and surveying the sites and put out contracts to do other site work. He said that this would not include the construction of buildings as that work requires an environmental impact report.

Mr. Turpen said that the Commission is being asked to take a risk position in moving ahead with the design. He felt that the plan is a sound one and that moving ahead with the design, particularly with respect to utilities, is prudent. Staff believes that the program is sound and environmentally responsive and that it will be approved. Given that approval staff can move forward fairly quickly to solve some problem such as an international arrivals building to accommodate our current level of passengers. Right now SFO has more international arrivals than we can handle. He said that a one or two

year delay can be particularly gruesome when trying to manage the summer rush and the international arrival peaks.

Commissioner Goosby said that he could not argue with a staff that has a record of meeting deadlines and staying within budgets. He said that he has no opposition to this.

Commissioner Bernstein asked Mr. Turpen if he called Congressman Anderson.

Mr. Turpen responded that Congressman Anderson has not been in the office when he has called, but he has left messages.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

6. Commendation: Kathy (Flash) Schmidt

No. 89-0165

7. Declaration of Emergency:
Electrical Cable Failure, Cable 12-BABP-1

No. 89-0172

Resolution ratifying the action of the President of the Commission in declaring an emergency and authorizing the immediate start of work to replace the failed electrical power cable.

8. Rental Credit - United Airlines

No. 89-0173

Rental credit for Airport requested purchase of computers by United Airlines.

9. Modification No. 2 - Lease No. 83-0045 Mexicana Airlines

No. 89-0174

10. Bid Call - Contract No. 2144R:
North Terminal - Groundwater Monitoring/Recovery Wells Installation

No. 89-0175

Resolution approving the scope, budget and schedule for Contract No. 2144R and authorizing the Director to call for bids when ready.

11. Appointment to the Board of The San Francisco Airport Improvement Corporation

No. 89-0176

Resolution consenting to the appointment of Frank G. Chambers.

12. Travel/Training FY 1989/90

No. 89-0177

* * *

H. NEW BUSINESS:

There was no discussion by the Commission.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned to go into closed session.


Jean Caramatti
Commission Secretary

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SAN FRANCISCO AIRPORTS COMMISSION



AIRPORTS DEPT.
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SAN FRANCISCO
CALIFORNIA 94111

MINUTES

OCTOBER 3, 1989

ART AGNOS, MAYOR COMMISSIONERS

MORRIS BERNSTEIN

President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Minutes
of the
Airports Commission Meeting

October 3, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Sharon B. Duvall
Patrick A. Murphy

Commissioner Goosby arrived at 9:23 AM.

Absent: Donald R. Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 5, 1989 were adopted by order of the Commission President.

No. 89-0178

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS AND MAINTENANCE:

Items 1 through 3 were adopted unanimously.

1. Award of Professional Services Contract to Greiner, Inc.

No. 89-0179

Resolution authorizing the award of professional services contract to Geiner, Inc. for study to determine if aircraft noise impacts on the neighboring communities can be abated by reconfiguring the Airport's runways - \$300,000.00.

Mr. Lou Turpen, Airport Director, explained that this is in response to a request to take a look at modifying the runways in order to determine what effect it would have in mitigating noise. This is the first phase of a multi-phased effort. The contract is designed to terminate after the first phase if the results are not positive and the Commission does not wish to proceed.

Commissioner Duvall asked if there were cost estimates for Phases II and III.

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, responded that Phase II will be in the neighborhood of \$600,000.00 to \$800,000.00. Phase II designs the runways and Phase III clears the environmental process.

Commissioner Duvall asked when a report could be expected for Phase I.

Mr. Yuen responded that Phase I will be completed in six months.

Mr. Turpen added that a commitment has been made to the Roundtable to try and complete this phase and report to them by June 1, 1990. We anticipate being ahead of that schedule.

Commissioner Duvall said that she was surprised by the cost. She asked for an explanation of the relationship between Phase I and Phase II in terms of the design of the runway. She said that on the one hand it appears that research only will be done with currently available resources. On the other hand it appears that some elements of design will be considered as well.

Mr. Yuen responded that some design work will be considered in order to determine a budget or cost estimate which will enable the Commission to make a decision on whether or not to proceed. Phase II will continue the design the runway. The environmental process will be taken up in Phase III.

Mr. Turpen said that there will be an attendant cost to a runway configuration which can reduce the noise impacted homes to zero. He said that it is important for the Commission to have a rudimentary cost benefit option at the end of phase. If the Commission commits to Phase II, an additional significant expenditure will have to be considered. Once we get past Phase I there is a true commitment to move ahead to conclusion.

Commissioner Duvall commented that we are looking at three runway configurations.

Mr. Turpen said that the possibilities were infinite.

Commissioner Duvall commented that staff has not quantified the number of alternatives.

Mr. Turpen added that staff has not quantified for orientation or anything else. He said that historic data exists for prevailing winds. He has certain instinctive views as to the way this may conclude. Some creative options may be available to us and he is hoping to be creative in attacking this problem at a minimum cost, a minimum disruption and a minimum environmental impact.

Mr. Turpen said that the question is can we reduce the noise impact. If the answer is yes, can we afford to proceed economically and environmentally?

Mr. Turpen said that there has always been a suggestion that changing the runways would go a long way to reducing noise. That question has never answered.

Commissioner Bernstein asked who designed the present configuration.

Mr. Turpen responded that the present configuration probably goes back to Mike O'Shaughnessy in 1927 and has grown over the years. The current runway system was configured in the mid to late 1930s. In the 1970s the 28s were extended to accommodate wide body jets, longer take-off roles and heavier aircraft.

2. Resolution Declaring the Intention of the Commission to Pursue the Issuance of San Francisco International Airport Revenue Bonds, Series E

No. 89-0180

Mr. Turpen explained that under the Lease and Use Agreement the Airport finances its capital improvements with the issuance of bonds. This item gives the Commission early notice and asks for permission to proceed with the development of the Series E bonds. Staff will return to the Commission several times on this issue.

Commissioner Bernstein asked if anything had been done with the recommendation that he and Commissioner Murphy submitted regarding refinancing the Series D bonds.

Mr. Turpen responded that staff has concluded that there is some merit to the proposal. The Commission will be receiving a staff memo within the next day or two which outlines the way staff feels this refinancing might best be accomplished.

3. Authorization to Reject and Re-Issue Request for Proposals for Self-Service Luggage Carts

No. 89-0181

Mr. Turpen said that the RFP recently conducted by staff was deemed unsuccessful. Permission is requested to re-issue requests for RFPs. The current contract expires in mid 1990. He said that clearly in excess of \$1-million per year to provide free luggage carts in the Customs arrival area is prohibitive. Staff is looking at some options on trying to make that cost a little more acceptable.

Commissioner Duvall said that the Easy Roller proposal was estimated at an average annual amount of \$765,000.00. She asked if that was based on a per unit price.

Mr. Turpen responded that the per unit price was 80¢.

Mr. Bob Rhoades, Airport Property Management, added that the units are based on the master plan projections.

Mr. Turpen said that Smarte Carte proposes to charge \$1.25 per cart, or \$10-million for a five-year term.

Mr. Turpen said that there are several options. Sydney, Australia has developed a change machine that will accommodate all currencies. He said that this option would entail a policy decision for the Commission and assumes the Airport will revert to a pay cart system in Customs. Staff's proposal assumes a free cart system if the cost is reasonable. He said that at this point it is not.

Commissioner Duvall asked if Easy Roller's extraordinary situation will be eliminated so that they will be able to rebid.

Mr. Rhoades responded that that is a real possibility. He explained that Easy Roller had a death in the partnership and the partnership then ran into some difficulties. Staff has contacted Easy Roller and they expressed an interest in this bid.

Mr. Turpen said that there are two issues before the Commission. If staff can return with a cost effective proposal we would be pleased to recommend it. Failing that, the Commission is faced with the policy issue of whether or not we can afford to continue this program.

Commissioner Murphy said that the other policy issue is that Smarte Carte is proposing to charge customers \$1.25 which he feels is an unwarranted increase.

Commissioner Duvall asked if Smarte Carte was proposing to pay a minimum annual guarantee of \$400,000.00.

Mr. Rhoades responded that that is their commitment.

Item No. 4 was put over.

4. Award of Contract No. 1558:
Field Lighting Building No. 1 Replacement

Resolution awarding Contract No. 1558 to Rosendin Electric, Inc., in the amount of \$2,979,000.00

Mr. Turpen explained that this item is being put over pending HRC approval.

Items 5 through 8 were adopted unanimously.

5. Award of Public Lockers and Over-the-Counter Baggage Storage Lease

No. 89-0182 Resolution authorizing the award of Public Lockers and Over-the-Counter Baggage Storage Concession Lease to Amlock, Inc.

Mr. Turpen said that there had been some confusion with this bid and asked Peter Nardoza, Assistant Deputy Director, Business and Finance, to explain the problem to the Commission.

Mr. Nardoza said that Mr. Jerry Lee was present to explain the protest he lodged against the award of this lease. Mr. Nardoza explained that Mr. Arthur Lee went to Room 509 on the appointed day and time with his bid for this lease. He failed to follow the instructions that are very clearly indicated no less than three times in the bid package that the bid is to be submitted to the Deputy Director of Business and Finance. When the Property Management staff commenced the bid process and began to open the packages themselves Mr. Arthur Lee attempted to hand his bid to the Property Manager. The Property Manager rejected the bid because the 3:00 PM deadline had passed. Mr. Lee failed to follow the process as outlined in the invitation for bids. He said that he believes that that Property Manager acted correctly and followed the established process.

Mr. Nardoza recommended award of the lease to Amlock, the highest responsive bidder. He said that if the Commission decided not to accept the lease at this time he urged that all bids be rejected and that the lease be rebid.

Mr. Jerry Lee, representing Mr. Arthur Lee, said that he did not dispute the basic facts. On that day Mr. Arthur Lee went into the conference room at about 2:50 PM with his bid in hand. He was following signs in the Airport at the base of the stairs and at the elevator on the 5th floor which directed him to go to the conference room. Mr. Lee had been to many bid openings prior to this and was ready to submit a bid. Past practices and procedures of the Airport Property Management Department was that a Property Manager would usually be on hand to accept bids and prior to a bid closing would enter the room and ask if there were any more submittals.

Mr. Jerry Lee claimed that there is no clear cut procedure that Property Managers are required to follow. He said that when he requested a copy of the written procedures he was told that there were no written procedures. He said that the handling of the bid is left to the discretion of the individual Property Manager.

Mr. Jerry Lee said that Mr. Arthur Lee is not a novice in the bid process. He has submitted many bids in the past and they have always been accepted. He requested that the bid not be awarded to Amlock and that Mr. Arthur Lee's bid be accepted.

Mr. Jerry Lee also told the Commission that the bid package was left unopened with Airport staff so no tampering was possible. He again requested that Mr. Lee's bid be accepted as submitted.

Commissioner Bernstein asked why Mr. Arthur Lee did not give himself more time if he was uncertain of the language or directions.

Mr. Jerry Lee said that they have been through this process at least a half dozen times and the procedure has been that the Property Manager entered the room and asked if any other bids were to be submitted.

Mr. Lee added that the Property Manager was in the room mingling with the bidders but left just a few moments before Mr. Arthur Lee entered. He said that if there is no clear procedure Mr. Lee would have to rely on chance to into the Property Manager.

Commissioner Duvall said that the stated Airport procedure is that the bids are submitted to the Deputy Director of Business and Finance.

Mr. Turpen added that that procedure has been in place since 1984.

Commissioner Duvall asked Mr. Lee if he was aware of that. It is the only stated written procedure of which she is aware.

Mr. Lee said that the fact that it is written into the bid package is not at issue.

Commissioner Duvall asked if Mr. Arthur Lee had done that in the past.

Mr. Lee responded that he did not know. On some occasions he submitted it to the Property Manager at the time of the bid. In the past, a Property Manager would come into the room and ask if there were any more bids.

Commissioner Duvall said that Mr. Arthur Lee experienced some confusion and we need to understand this a little better.

Mr. Jerry Lee said that the purpose of the bid is to get all bidders to make a fair and honest bid for the benefit of the City and that is all that they are asking.

Mr. Jerry Lee said that the Commission should have received a copy of a letter written to the Director.

Mr. Nardoza said that while it may have been true in the past that bidders were allowed to submit their bid to the Property Manager, we have not allowed that practice since 1984. For the past five years every invitation for bid has been very specific as to where the package must be submitted. There is a specific process for bid packages being accepted, stamped in and brought to Room 509 for the bid opening.

Commissioner Bernstein asked Mr. Andrew Colvin of Feldman, Waldman and Kline if he wished to address the Commission.

Mr. Colvin said that his firm represents Amlock in this matter. He told the Commission that he does not believe that there is any ambiguity in the invitation to bid as to where and how the bid should be submitted. He said that there was a pre-bid meeting on May 25, 1989 on this matter and Mr. Gonzalez, the Property Manager who oversaw this process, was very explicit about the time limit. Mr. Gonzalez indicated at that meeting that he would be on the phone up to 3:00 PM calling the time so that everyone would know when the bids were closed. Mr. Gonzalez was in the room only a very short period of time setting up an easel. He then left the room and when he returned he announced that it was 3:00 PM and the bidding was closed. It was at that point that Mr. Lee attempted to submit his bid.

Mr. Colvin said that if Mr. Gonzalez had walked into the room and said that no bids had been received, perhaps a different bid might be submitted. Knowing how many bids are going to be submitted is an important piece of information for bidders and might effect the way they bid. Accepting bids in the bid room creates the potential for that type of problem. Mr. Colvin asked that the staff recommendation be accepted and that Amlock be awarded the lease. He said that it is likely that Amlock would challenge any attempt to throw out the bids. Mr. Colvin submitted a letter to the Commission as well (see attached).

Mr. Don Garibaldi, Airports General Counsel, told the Commission that the legal staff examined this issue and based on the facts as given to them, it appears that the bid was received after the time specified in the bid invitation and cannot be accepted. The Commission has three alternatives, to accept Mr. Lee's bid, to reject Mr. Lee's bid as having been late and award the lease to Amlock, or, to reject all bids and rebid the lease.

Mr. Turpen felt that staff conducted the bid properly and recommended the lease be awarded to Amlock. Staff goes to great lengths to try and avoid confusion in the bidding process. He said that it is unfortunate that a potential bidder was confused about the process but to throw out the bids and re-bid this lease would be unfair to the other bidders.

Commissioner Duvall said that it is her understanding that the practice has not been such that it would lead potential bidders to expect that even though the stated regulation says one thing, that the practice would lead them to expect something else. The procedures in place are very clear and have been followed for the last five years.

Commissioner Bernstein said that he is inclined to accept the bid.

6. Award of Changeable Message Sign

No. 89-0183

Resolution to award the contract to the only bidder, Abbett Electric Corporation. Contract price is \$150,456.00.

7. Bid Call: North Terminal Shoeshine Stands Lease

No. 89-0184

Resolution authorizing Director to accept bids for the North Terminal Shoeshine Stand Lease.

8. Report on Adopt a School Program with City and County of San Francisco and San Mateo County

No. 89-0185

Mr. Art Pulasky, Airport Labor Coalition, said that they are familiar with and have observed the Adopt a School Program from its inception several years ago. He said that the Coalition feels that it is an outstanding program and will have a positive effect on all concerned. The Coalition values the kind of partnership and cooperation with the Airport that will make this program a success. He felt that this type of involvement in the community is positive for the Airport in its community relations. He thanked Dennis Bouey for his outreach with the labor unions in this effort. Mr. Bouey actively sought to engage the support of the unions and created a good example for an effective and constructive approach to getting community support on these issues.

Mr. Pulasky said that when the unions met last week and discussed this issue they raised the concern that they hoped the participants would be representative of the racial mix and age. He said that having talked with Sharon Niterhouse, the Director of the program, they are confident that that will happen.

Mr. Pulasky thanked and commended the Commission for their efforts in this program and looked forward to working with them.

Ms. Lynn Ishihara, Manager of Business Involvement Programs for San Francisco School Volunteers, on behalf of San Francisco schools and in conjunction with Nora Youst from So. San Francisco Schools and Sharon Niterhouse from the San Mateo County Office of Education, encouraged the Commission's support for the Airport Student Awareness Program. She said that this program will enable 14 students from high schools in communities surrounding the Airport to have an indepth first-hand look at the Airport and Airport careers. Students who would not otherwise have that opportunity. She said that each of her counterparts in their respective communities have met with the principals of these schools and have specifically asked them to identify students who represent the true student body of that school, both in sex and ethnic representation. She said all of the principals they spoke with are excited and enthusiastic about the program, recognizing that experiential programs are invaluable because they make the connection between classroom learning and the working world.

Ms. Ishihara said that the principals are also excited about this program because in years two and three these same students are going to be matched with Division, Bureau and Section heads who will provide a more individualized learning opportunity.

Ms. Ishihara said that they support this program and welcome the opportunity to work with the Airport. They view this as a powerful learning experience for their students and an opportunity for their communities to strengthen ties with the Airport.

Commissioner Goosby thanked Mr. Pulasky for his comments and was grateful for his concurrence. He also thanked Mr. Bouey for developing a communication between the Coalition and the Airport.

Commissioner Goosby suggested that the final session for these students include a component that will acquaint them with Civil Service procedures. He also felt that City College should offer this information to every Senior. He suggested that City College be included in this program so that they could acquaint these students with the relevant courses they offer.

Commissioner Duvall agreed that the students should be made familiar with Civil Service procedure.

Commissioner Duvall asked if other City agencies were participating, or, if this is done in conjunction with private industry.

Mr. Dennis Bouey, Deputy Director, Facilities Operations and Maintenance, responded that the Airport is the pilot program and total contact will be at the Airport. He said that staff has begun discussions about a Springtime program because there is a concern about continuity. City College has already been contacted about participating. Information will be given on how to apply to Civil Service as well as how to apply to union apprenticeship programs. He said that the idea is not only to show what is available at the Airport but also how to take advantage of it and the options available to them. He said that we are not just adopting a school, we are adopting these children as part of the community.

Mr. Bouey also said that while we are looking for gender and ethnic diversity, we are also looking for students who don't have the opportunities that other children have. We are looking for students who are disadvantaged in the hope that this might give them the break they need to achieve success in life.

Commissioner Duvall said that five days is a start but it's not alot. If, however, this is in the context of efforts of other agencies and industries then it gives us more substantial contacts. She said that this is a wonderful opportunity for us to begin a substantive outreach.

Commissioner Bernstein said he was delighted with the program.

No action was required on Item No. 9.

9. Information Booths at S.F.I.A

Report on the establishment of Five (5) information booths in the lower level baggage claim areas of the terminals. These booths would be operated by personnel who would provide airport passengers with impartial information on ground transportation, on services and facilities within the Airport and general information for visitors to

San Francisco. This program would cost approximately \$1-million each year to operate.

Mr. Turpen said that the Commission is aware of the concern in getting accurate and objective information to people arriving at SFO. He said that with the continuing competition in the ground transportation arena, options for passengers are increasing. He felt that a mechanism for reaching arriving passengers in terms of welcome packages or brochures might also be appropriate. The establishment of five booths in the baggage claim areas would be satisfactory to our needs.

Commissioner Goosby asked if these five booths would be in addition to the Traveler's Aid Booths already in operation.

Mr. Turpen said that they would be additional. These booths would primarily disseminate ground transportation information as specified, but would not necessarily be limited to that type of information. He thinks it's a good program in terms of personalizing the interaction of the City with arriving passengers.

Commissioner Duvall asked if multi-lingual signs were in place in international arrivals.

Mr. Turpen responded that the Commission opted for international symbols years ago. We also have a multi-lingual brochure.

Mr. Sheldon Fein, Landside Operations, responded that international symbols were selected because multi-lingual signs would take up an inordinate amount of space.

Commissioner Goosby asked where the multi-lingual brochures are available.

Mr. Fein responded that the brochures are provided through community services.

Mr. Ron Wilson, Director of Community Affairs, added that Traveler's Aid also provides the multi-lingual brochures.

Mr. Turpen said that at one time a mailing was also done to travel agencies but that was not particularly effective. He said that the method of distributing the brochures into the hands of those passengers who want and need them has not been as good as it could be. These information booths will correct that deficiency.

Commissioner Goosby asked how this all came about.

Mr. Turpen responded that the Commission had expressed some concerns about this years ago. Staff approached the Commission at that time with a number of options, but all were rejected. This will give us a physical location in which to implement and bring together programs which are existent but not necessarily focused. He said that Greig Harvey, the Airport's transportation consultant, has made some recommendations as well.

Commissioner Goosby thought that if we were going to spend \$1-million we should seriously consider charging for carts in Customs. He felt that we should begin with one booth in the International Terminal and add additional booths once we have determined the need exists.

Mr. Turpen told Commissioner Goosby that O'Hare had a trial program in the 1970s. He said that even though the program was well received, it was eventually abandoned.

Mr. Turpen said that a number of needs have been identified. We must now focus on how to get that information to passengers. He believes that these booths will provide the appropriate mechanism. Staff will proceed with a phase-in approach if the Commission wishes.

Commissioner Goosby agreed with the concept if it will be utilized by passengers. He did not want to expend funds only to have the booths go unused.

Mr. Fein told the Commission that his division has received formal requests from the van industry to provide counters which they would be willing to man. The taxi industry has made similar requests. These booths would satisfy those requests and provide information without providing a competitive edge. He said that LAX has had the same system for the last two or three years.

Commissioner Murphy asked if this was going out to bid.

Mr. Turpen responded that this is to inform the Commission and seek a consensus. Staff will request permission to go out for an RFP at a later date.

Commissioner Murphy hoped that possible conflicts of interest will be considered for potential bidders.

Mr. Turpen said that staff approached the Commission with a proposal in 1982 or 1983. The Commission decided at that time that the need was insufficient. This is to determine if the Commission has any interest at all in proceeding.

Commissioner Duvall asked if the Passenger Survey provided any requests for this type of service.

Mr. Turpen responded that the survey was very good overall. He said that the ratings for facilities and food service went down.

Commissioner Duvall said that the survey is simply an objective questionnaire and does not offer an opportunity for passengers to volunteer suggestions. She said that when she travels through foreign airports she is particularly grateful when clearer direction is available. She would like to see better information at the Airport.

Commissioner Duvall agreed with Commissioner Goosby's suggestion to start with a booth in the International Terminal.

Mr. Turpen said that he will take a look at a phase-in program where the Commission can opt to add more booths. He added that this will be a request for RFPs rather than bids. He said that objectivity in the operation of these booths is critical.

Commissioner Goosby said that objectivity, information and use will make the \$1-million expenditure worth while.

Commissioner Bernstein asked Mr. Al Hall if he wished to address the Commission.

Mr. Al Hall, representing the Cab Drivers Association of San Francisco, said that his Association presented proposals to the Airport's Landside Operations staff with regard to information booths for taxi services. Their areas of concern involve the lack of accurate signage at the Airport directing passengers seeking taxicabs or ground transportation service to taxicabs. He said that signage, with the exception of labels on the exit doors saying "Taxi", is

virtually non-existent. There is a display cabinet for bus services listing rates to the downtown area. There is a notation above that which indicates that taxis are available on the outer curbs, lower level. Information signs or display cabinets for taxis are non-existent.

Mr. Hall said that letters of objection have been sent to the Landside staff on a recent recommendation. Citing a passage from the minutes of the Airports Commission's April 18, 1989 meeting, Mr. Hall said that the Airport was reimbursing SuperShuttle for 44 aluminum cabinets which were installed in the downtown area. These cabinets contain information which direct passengers to transportation services departing from the upper level. He said that a new visitor to San Francisco leaving the baggage claim area and encountering a sign directing them upstairs to ground transportation will not question that sign. That passenger may be looking for a taxi but having moved luggage upstairs, won't turn around and go back downstairs. Mr. Hall said that when the taxi industry asked that information on taxi services be included within those 44 displays they were told that that was not part of the plan. He said that since SuperShuttle was reimbursed for those display cabinets, information on taxi services should be included.

Mr. Hall said that they have also had complaints with regard to misinformation by current operators of information booths, specifically the Associated Limousine booths, about cost and availability of taxi services and solicitation of services. Traveler's Aid is not providing accurate information either. He said that he has never seen a printed brochure. He once posed as an airline passenger and went to Traveler's Aid to ask about available transportation. He said that the last possible form of transportation suggested was a taxicab, and then only after asking if such service was available.

Mr. Hall said that if the booths are operated properly it will be an advantage to San Francisco. He offered the Taxi Association's assistance for preparation of an unbiased and complete body of information.

Mr. George England, driver for Luxor Cab and charter member of the Cab Drivers of San Francisco, said that they are striving to improve the taxi business in San Francisco not only for the drivers, but for the company and the public as well. He feels that there is potential to expand the business but they continue to be thwarted in most areas. There appears to be a great deal of discrimination at the Airport. He said that it used to be commonplace to make one or two trips to the Airport a day, but now it's only once or twice a week.

Mr. England said that for years they have tried to promote a rideshare program. People who want to share a cab to downtown San Francisco should be able to do it. The cost and the procedure should be clear. He said that there is a program but it's never been implemented.

Mr. England said that the signage referred to by Mr. Hall makes only one reference to taxis: "Taxis available center island, lower level, all terminals." He said that it is only fair that taxis be allowed to present specific information. He feels that passengers are being steered into the van services and claimed that according to those passengers, they aren't pleased with the van services. They don't work for everyone. A van service is great if a passenger has limited funds and unlimited time. A taxi is better if a passenger has limited time and money is not a consideration. The average traveler would rather ride in an automobile for a reasonable price. If that information is available in the terminal passengers can make a choice.

Mr. England said that taxicabs have been providing a good service long before the newcomers came on the scene. He said that if the cab companies were in the business of providing cab service to the public rather than renting cabs to drivers they would take a different approach. He said that this issue must be addressed openly and he would be glad to offer his input.

Commissioner Duvall asked that an information booth be considered for the North Terminal as well.

Mr. Turpen said that staff will come back with a structured proposal.

Commissioner Goosby wants staff to look at the whole picture. He does not want the advantage weighted towards one transportation service over another. He wants a fair and equitable situation.

Mr. Hall said that he would be glad to come back at a later date with a life-size example of the signs.

Commissioner Bernstein asked Mr. Hall to present the photos of those signs to the Commission Secretary.

Mr. Turpen said that staff will develop a time line and a phased approach to the Commission. He said that he understands that the Commission endorses the concept in an amended fashion.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, with the exception of Item No. 11 which was put over, was adopted unanimously.

10. Bid Call: Contract No. 1680C
Parking Garage Restriping, Level 2

No. 89-0186

Resolution to approve the advertising of bids to restripe parking stalls and rechannel traffic circulation on Level 2 of the parking garage. This project will increase the number of parking stalls by 114, including 14 handicapped parking stalls.

Item No. 11 was put over pending HRC approval.

11. Award of Contract No. 1889:
North Terminal Carpet Replacement, Phase 3

Resolution awarding Contract No. 1889 to Consolidated Flooring Services in the amount of \$745,108.00.

12. Rejection of Bids:
Contract No. 2137
International Terminal - Terrazzo Flooring at Customs Waiting Area

No. 89-0187

13. Exhibition Schedule for the Period January 1 through August 30, 1990
- Proposed Copy for Airports Commission Brochure

No. 89-0188

14. Travel/Training for Airport Representatives

No. 89-0189

15. Personnel Actions

No. 89-0190

Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

G. NEW BUSINESS:

There was no discussion by the Commission.

* * *

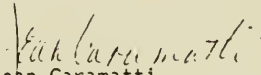
H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 10:05 AM.


Jean Caramatti
Commission Secretary

Feldman Waldman & Kline

A PROFESSIONAL CORPORATION

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October 2, 1989

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Airport Commission
City and County of San Francisco
San Francisco International Airport
San Francisco, CA 94128

Re: Lease for Public Lockers and
Over-the-Counter Baggage Storage

Dear Honorable Commissioners:

This office represents Amlock, Inc., the successful bidder for the lease of public lockers and over the counter baggage storage in the Airport Terminal Complex in San Francisco International Airport. Sealed bids for the lease were received by the Director of the Airports on behalf of the Airports Commission on August 30, 1989.

We understand that a party which did not submit a bid, Metalwood Corporation (in-organization) ("Metalwood") has submitted a letter in which it seeks to "protest the procedures and rejection of a bid package."

We note at the outset that it would not be appropriate for Metalwood to protest at this time the procedures of the bid. A pre-bid conference, in which the bidding procedures were gone through in careful detail, was held on May 25, 1989. We believe that a representative of Metalwood, the author of the letter written on behalf of Metalwood, was present at the pre-bid conference. If Metalwood had any objection to the bidding procedures, we submit that was the time to state such an objection. It is untimely to object to the final and advertised procedures after the bidding has been completed. Thus, we think that the only question before the Commission is whether Metalwood did, in fact, comply with the bidding procedures.

The invitation for bids dated August 1, 1989 is quite explicit on the procedure for the submission of bids. Section III of the invitation includes Instructions to Bidders. Item B thereof, Submission of Bids, indicates:

This bid form must be submitted with completed Questionnaires and Bid Bonds in a sealed envelope marked "Public Lockers and Over-the-Counter Baggage Storage Lease". The envelope must be addressed and delivered to: "Deputy Director of Airports, Business and Finance, P.O. Box 8097, 5th Floor, International Building, San Francisco International Airport, San Francisco, California 94128", at or before 3:00 p.m., on Wednesday, August 30, 1989.

That same section also provides that:

Bidders should examine the existing facilities and become familiar with the area and present operation and the operation of the Airport ... No bid received after the time fixed for receiving them will be considered.

Thus, we think that there is no ambiguity as to the responsibility of a potential bidder. All bids had to be delivered in a timely fashion, at or before 3:00 p.m. on August 30. This, clearly, was an absolute deadline. Certainly it was the potential bidder's responsibility to ensure that the bid was filed in conformity with the bid requirements.

If there was any question in Metalwood's mind, however, there were several steps Metalwood could have taken. For example, Metalwood could have heeded the advice given to all potential bidders at the pre-bid conference held on May 25, 1989. At that conference, the procedures for the submission of bids, and the strict adherence to a 3:00 p.m. deadline, were gone over in clear and explicit detail.

Secondly, as the invitation to bid and several other sources make clear, Airport staff was available to review bids beginning at 10:00 a.m. on Wednesday, August 30, 1989. Amlock took advantage of this procedure and as part of the review received confirmation as to the time and the method for filing its bid. Even if Metalwood did not wish to avail itself of this opportunity, it was not only free to inquire of the Airport staff on the proper method for submitting a bid, but it was incumbent upon Metalwood to obtain this information itself.

Finally, we note that another bid which was submitted in a timely fashion came from Canada. It is ironic that a party thousands of miles away could get its bid in on time while Metalwood had this supposed difficulty.

We note that the August 31, 1989 letter from Metalwood to Deputy Director Angela Gittens makes, essentially, two arguments as to why its bid should be accepted and considered. The first is that while it did not comply with the terms of the bid, Metalwood claims to have complied with past practices and procedures allowed by various property managers at the Airport. We believe that this assertion is factually incorrect. We are not aware of any past practices or procedures which require a representative of the Property Management Department to be present in the bid room to accept bids up to (or even after) the time announced as the time for the opening of bids. If that is the procedure which the Airport wished to follow, then the bid document could have stated it. Given the exacting terms of the bid document, we do not believe it is beneficial to incorporate other practices or procedures which may have been used in the past. Moreover, this argument ignores the fact that prior to this time of the attempted submission of a bid by Metalwood that the representative of the Property Management Department, Ronald Gonzales, announced to all present that it was past 3:00 p.m. and the bidding procedure was closed. (This procedure comported precisely with the procedure announced by Mr. Gonzales at the May 25, 1989 pre-bid meeting.) Only then did the representative of Metalwood attempt to submit a bid package.

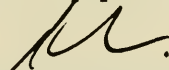
The second argument made by Metalwood is that fairness and equity dictate that the bid be considered at this time because it will benefit the City to get the most bids to gain the highest revenue. We believe that fairness and equity requires that the bid not be accepted. The whole point of competitive bidding is to have all participants play by the same rules, giving no one an advantage. If this system is to work, the rules with respect to the submission of bids must be strictly enforced. Information as to the number of bidders, in itself, would give a substantial advantage to Metalwood or any other bidder. If the representative of the Property Management Department had entered the bid room and announced that there were no bids submitted, who is to say that the same bid package would have been submitted by Metalwood or by any other potential bidder. For the bid process to have any integrity, the rules for the submission of bids must be strictly observed.

We also note that we do not believe it is the case that the Metalwood bid was in the hands of the Property Management Department and remained there from a time prior to the time the other bids were opened. We accept Metalwood's assertion that the bid had been left with the Property Management Department unopened since it was submitted. We believe, however, that physical possession of the relevant bid was not taken until after the bids were opened. We believe, further, that the representative of Metalwood left the bid room on August 30 with the rejected bid envelope for a matter of at least several minutes, and for that reason the submitted bid would be unreliable. Another reason for strictly enforcing bidding procedures is to avoid these types of thorny questions.

Of course, if Metalwood's position were sustained, it would not be a matter of simply comparing the Metalwood bid to the other bids. Rather, assuming the Commission were to sustain the position (and this were upheld after any challenges), we believe that the specifications for the bid would have to be re-written and the entire lease would have to be re-bid. Otherwise, there will be a tremendous disadvantage to the bidders who submitted bids in a timely fashion. Also there is no guarantee that the same bidders would submit new bids or that the amount of the ultimate bid would be higher than the bid currently submitted.

The rules of competitive bidding have been developed to produce the best result for the City on terms that give all parties an equal opportunity. Amlock, Inc. abided by those rules. For this system to have the desired result, not only in this instance but in general, those rules must be strictly enforced and those who do not abide by the rules should not be excused or rewarded.

Very truly yours,



Andrew M. Colvin

AMC:pjh
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cc: Louis T. Asher

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

OCTOBER 17, 1989

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DR. Z. L. GOOSBY

Vice President

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

October 17, 1989

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Minutes
of the
Airports Commission Meeting

October 17, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Patrick A. Murphy

Absent: Donald R. Stephens
Sharon B. Duval

* * *

C. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

D. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

1. Resolution Approving Response to Comments on Master Plan Working Paper 'C'. Resolution also Authorizes Staff to Prepare Final Draft of Master Plan for Commission Approval.

No. 89-0191

Mr. Lou Turpen, Airport Director, told the Commission that about 400 copies of Working Paper 'C' were distributed to interested parties who had requested it for review and comment. The document before the Commission is a compilation of written and verbal comments received. This item requests permission to distribute the response to Working Paper 'C' and at the same time to move forward with the development of the final draft.

Commissioner Bernstein asked Mr. Curt Holzinger if he wished to address the Commission.

Mr. Kurt Holzinger, member of the Airport Community Roundtable and the Board of Supervisor's Airport Noise Committee, wished to address the Commission as a private citizen rather than as a member of either

Committee. He said it was his understanding that today's action will approve distribution of the document, not approval of the document itself. He understood that as the process continued there would be opportunity for public review prior to adoption. He said that in speaking with Mr. Costas it appears that some of the Committee's concerns were incorporated in this document, but as he has not yet read it he is unwilling to make further comment. He was pleased that some of their concerns were addressed, particularly the acknowledgment of the noise problem that has existed in San Francisco since early 1987. He hoped that the master plan and EIR would address that issue and work toward a real solution to the noise problem.

Mr. Holzinger pointed out that the master plan is the document where many forecasts are made regarding gates, passengers, etc. but that some forecasts that are essential for a good master plan and a thorough EIR are missing. His group has commented on this several times before and he hoped that the document approved for distribution today will address this issue. He felt that the total number of operations should be forecast as well as the fleet mix. These forecasts can and have been done and should be incorporated into the final document.

Mr. Tim Treacy, Chairman, San Francisco Airport Noise Committee, said that when the hearing process was conducted for Working Paper 'C' they were under the impression that the documentation before the Commission today would be provided to the Committee so that they could ascertain if it correctly reflected the views that were presented at the meeting. He said that this is a problem that the Committee has been having. They were not provided with a copy of the document. He said that he was not clear as to what opportunity they will have to comment on the document in the future, but they will have to live with it.

Mr. Treacy was also displeased with the procedure to distribute Commission agendas. He told the Commission that agendas for Commission meetings are prepared only a day or two before the meetings. He received the agenda for this meeting yesterday. He said that he has no opportunity, as an interested and affected citizen, to review the items that are on the agendas. These items should be made available to the public. He said that he is disturbed by the process and would hate to see it continue. He suggested an evaluation of the process be made.

Mr. Treacy said that his Committee has been interested in this item for the past several years and throughout this entire process they have been told that no consideration was being given to expand or reconfigure the runways. Contrary to this, a Federal report released this summer indicated that Airport staff and the FAA have been working for up to two years on a runway addition, expansion and reconfiguration plan. This plan has been published by the FAA. He said that he does not know why it has not been included in the master plan process. Mr. Treacy said that according to the FAA, this plan is designed solely to enhance capacity and has nothing to do with noise abatement. He said that his Committee has also recently discovered through documentation obtained through the FAA, that since 1986 the FAA has utilized a preferential runway 1 program designed to abate noise on the Peninsula, resulting in a shift in noise to San Francisco. This is attested to in Airport reports showing the data from the noise monitors and the percentage of departures that have gone from runway 28 to runway 1. He said that in excess of 93% of departures are from runway 1. This noise abatement procedure for the Peninsula is resulting in air traffic over San Francisco's residential areas. Mr. Treacy said that it is imperative that this problem be addressed and resolved before a master plan is adopted.

Commissioner Bernstein asked when the agenda is sent out.

Jean Caramatti, Commission Secretary, responded that the calendars go out on Thursday afternoon.

Mr. Turpen added that the calendars go out simultaneously with the Commission's copies.

Mr. Treacy said that it takes one or two days to receive them.

Mr. Turpen asked how many copies are sent out.

Ms. Caramatti responded that 200 copies of the calendar are mailed.

Commissioner Goosby said that the School Board makes copies available in the office as well. He suggested that the Airport make the same arrangement. He recommended a centrally located drop point in San Francisco.

Mr. Turpen said that these issues don't sneak up. Many of the items the Commission considers are in process for a some period of time. The Airport has always entertained calls either through the Commission Secretary or through his office with regard to items scheduled for the agenda. He said that the agenda is set two Mondays before a Commission meeting.

Commissioner Goosby said that this is a public body and everyone must be treated the same. The Airport should facilitate the dissemination of information, not make it difficult. The messenger should drop off calendars at some centrally located point, possibly City Hall.

Mr. Treacy said that City Hall is an acceptable location.

Mr. Turpen said that he would be happy to make the accommodation. For the record he said that anyone who has ever wanted to track an item has picked up the phone and called. In this particular situation Mr. Treacy is concerned about the timing. He said that he has personally told Mr. Treacy that he can call him on any issue at any time.

Commissioner Goosby understood but felt that the Airport is peculiarly vulnerable to criticism.

Mr. Turpen said that he will be happy to make copies available.

The Commission Secretary was directed to find a suitable location and provide 25 calendars for each meeting.

Commissioner Goosby hoped that reference will be made to any impact on noise effected areas and the feasibility of any runway reconfiguration. He also hoped that a general reference will be made with regard to environmental impact and the endangered species laws. He understood that it will be incorporated into the final paper.

2. Award of Airport Contract No. 1558:
Field Lighting Building No. 1 Replacement

No. 89-0192

3. Authorization to Receive Bids for the International and North Terminal Cigarette Vending Lease

No. 89-0193

* * *

E. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

4. Award of Airport Contract No. 1889:
North Terminal Carpet Replacement, Phase III

No. 89-0194

5. Award of Contract No. 2132:
Private Branch Exchange Equipment

No. 89-0195

Resolution to award contract to AT&T in accordance with City and County policy regarding the purchase of Private Branch Exchange Equipment.

6. Resolution, in Accordance with the Requirements of San Francisco City Charter Section 3.501, Ratifying and Approving Certain Personnel Actions Taken by the Director of Airports.

No. 89-0196

* * *

F. NEW BUSINESS:

There was no discussion by the Commission.

* * *

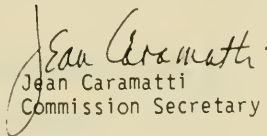
G. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM to go into closed session.


Jean Caramatti
Commission Secretary

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MINUTES

NOVEMBER 7, 1989

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PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

November 7, 1989

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J.

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Minutes
of the
Airports Commission Meeting

November 7, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President
	Z. L. Goosby, Vice President
	Donald R. Stephens
	Sharon B. Duvall
	Patrick A. Murphy

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 3, 1989 were adopted by order of the Commission President.

No. 89-0197

* * *

D. SPECIAL ITEM:

1. Election of Officers

Commissioners Bernstein and Goosby were unanimously elected President and Vice President, respectively.

No. 89-0198

* * *

E. DIRECTOR'S REPORTS:

2. Earthquake Recovery Status Report - Verbal Report

Mr. Lou Turpen, Airport Director, briefed the Commission on the status of the Airport's recovery in the wake of the October 17, 1989 earthquake. A video of the aftermath of the earthquake and its effect on the Airport was viewed.

Mr. Turpen said that when the earthquake hit there were approximately 25,000 people at the Airport. Power and primary communications were lost. Telephone lines were disrupted, necessitating use of the Airport's secondary and tertiary systems for telephones and communications. He said that the initial concern was the extent of damage, however, the damage was subsequently determined to be mostly cosmetic. After two detailed inspections it has been determined that the buildings are structurally sound. Exhaustive inspections will be done in the following weeks to ensure that the entire Airport is safe.

Mr. Turpen said that two women went into labor, one woman was injured by falling debris and another individual suffered a possible heart attack.

Mr. Turpen said that sprinklers went off at Boarding Area 'F' in the North Terminal, leaving up to four inches in the area.

Commissioner Stephens asked if the Airport has insurance.

Mr. Turpen said that the Airport is insured for certain items. He said that there was a significant amount of damage to ceiling tiles, carpets, cosmetic features to the terminal.

Mr. Turpen told the Commission that the biggest problem was trying to move the people. He tried to get as many people as possible off the Airport and as many aircraft away from the facility as possible. At about 9:00 PM that evening approximately 1,200 passengers were accommodated in the South Terminal, the least damaged facility, after it was checked for structural integrity and cleaned up.

Mr. Turpen explained that as there were no vehicles on the roadway they simply dumped the debris outside the terminals and then cleaned it up.

Mr. Turpen told the Commission that the Airport was 75% operational by 6:00 AM the next morning and 100% operational 24 hours after that.

Mr. Turpen said that there was a significant amount of damage to the tower. There were a lot of minor injuries to personnel, i.e. cuts, bruises and contusions, but nothing major. Tower personnel sustained injuries, but they hung in there.

Commissioner Duvall asked how long the tower was out of operation.

Mr. Turpen responded that the tower was never shut down per se although he elected to shut the Airport down in order to recover and clean up the debris in the tower. He said that the tower lost a lot of equipment. Emergency generators all went on. Debris, injuries to tower personnel and airfield noise interfered with the tower's ability to function.

Mr. Turpen said that the Airborne Building, a concrete reinforced structure, was lost.

Mr. Turpen said that the fact that these buildings were remodeled helped mitigate against structural damage. The South Terminal was reinforced in 1988, the International Terminal in 1983, the North Terminal in 1979 and the garage in 1982. He said that tremendous support was given by Airport/airline/tenant employees. Everyone present at the time pitched in and helped. Host made hundreds of meals at its commissary, drove them up to the main level of the roadway and set up a food line. The airlines provided blankets.

Mr. Turpen said that approximately 2-million square feet of debris was cleared out of the terminals. Staff attempted to salvage the North Terminal carpet rather than lifting it and exposing the slick surface beneath it. Maintenance personnel attempted to clean and deodorize the carpet, all efforts failed. That Sunday night the carpet was torn out.

Mr. Turpen said that the buildings, runway systems and hydrant systems held beautifully. The weather stripping had been damaged during the earthquake, allowing water from Monday's storm to enter the terminal buildings through the expansion joints.

Commissioner Duvall asked if the airlines suffered much damage to their equipment.

Mr. Turpen responded that United's flight kitchen suffered a significant amount of damage. The damage seemed to follow a path from East to West, in a line with the San Bruno gap...the PG&E substation on San Bruno Avenue, our building 8, United's flight kitchen, Boarding Area 'F' and on to the International Terminal.

Mr. Turpen gave credit to the people who documented this event for the Airport.

Commissioner Goosby asked if the vibration set off the sprinklers.

Mr. Turpen felt that the vibration might have set them off, or the pipes might have broken.

Mr. Turpen credited all employees at the Airport who assisted in returning the facility to operational status.

* * *

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Murphy moved adoption of a resolution commending the Airport community for their exemplary service in this crisis.

Commissioner Bernstein said that there are four seconds to that motion.

Mr. Turpen said that he will pass this resolution out to all airlines and tenants who responded so selflessly.

Mr. Turpen invited each Commissioner to the Airport to present awards to those employees who assisted in the Airport's recovery.

The resolution was adopted unanimously.

No. 89-0199

* * *

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

3. Approval of Final Draft of Airport Master Plan as a Basis for Developing the Environmental Impact Report

No. 89-0200

Mr. Jason Yuen, Administrator, Bureau of Planning and Construction, told the Commission that the master plan had its beginning about three years ago when the Commission selected Daniel, Mann, Johnson and Mendenhall, and, Jefferson Associates as consultants for the project. He said that in the last two years three working papers were published and almost 2,000 documents were distributed to the public, Airport tenants and various governmental agencies. Five evening public hearings were held to receive public comments, both in San Francisco and on the Peninsula. In addition, the Commission discussed and/or acted upon this issue at no less than seven Commission meetings. The master plan was also discussed in numerous other public forums such as the Roundtable. All in all, no less than 1,000 comments and questions were received and each one received a response. Staff is now at the point where the plan must be frozen and the environmental concerns must be addressed.

Mr. Yuen said that the Commission has before it a conceptual plan that meets the future demands of the traveling public. Staff would like the Commission's concurrence of this plan so that they can proceed with the environmental study. The plan will be the foundation of the EIR and is subject to modification or adoption by the Commission.

Commissioner Goosby asked if the City Planning Commission will handle the EIR.

Mr. Yuen responded that the City Planning Department, by City ordinance, has the jurisdiction of processing and preparing the EIR. City Planning certifies the EIR and the Board of Supervisors adopts or accepts it.

Mr. Turpen said that there will be many additional opportunities for the Commission to look at this plan. The Commission is approving the final draft today. The process is essentially being frozen so that it can be evaluated environmentally. Staff will return to the Commission with specific configurations, designs, etc. He said that the Commission must define what it wants to do, anticipate what will happen and then ask for an evaluation.

Commissioner Bernstein reminded the speakers that the Commission has a three minute limit per speaker.

Mr. Carlos Caso, Station Manager of Mexicana Airlines and Chairman of the Association of Foreign Airlines, and Phil Strohm consultant for the Association of Foreign Airlines, were called together to address the Commission.

Mr. Caso read excerpts from the attached letter from the Association of Foreign Airlines.

Mr. Caso introduced Mr. Phil Strohm whom he said would summarize the key points on which the Association has built its philosophy.

Mr. Strohm said that the AFA enthusiastically supports the proposed development of a new International Terminal. He said that the Association's support of the master plan is based on the following precepts: Simultaneous completion of Boarding Areas 'A' and 'G' on an expedited basis, hopefully by 1994. A single Federal Inspection Service concept which would provide sufficient facilities for the proper processing of passengers. A terminal and boarding area plan which provides the necessary security to properly process and protect the passengers and public. A philosophy supporting common use gates. The Airport granting exclusion of ticket counter, administrative office, ramp level space and VIP lounge space. That the Airport

adopt a policy regarding the contiguous operation for U.S. flag airlines for both domestic and international flights. That the Airport and the airlines work together to develop a mutually acceptable common use gate allocation policy for priority which will be included in future lease documents. That the airlines be allowed to furnish, install operate and maintain trade fixtures and that the airlines be allowed to assume operational responsibility for the scheduling of gates at the Airport.

Mr. Strohm said it was their goal to participate with the Airport, the Airport's Commission and all the airlines to develop a superior facility in San Francisco.

Mr. Dan DeBord, Regional Manager of Properties for Northwest, said that Northwest has previously provided comments to the working papers leading to the master plan and has received responses to the Airport staff. He said that Northwest supports the master planning effort and particularly supports an integral part of the master plan, the new International Terminal. He said that Northwest has provided transpacific service from San Francisco on a daily basis since 1984 and has a strong interest in the future direction of international aviation traffic at SFO.

Mr. DeBord said that Northwest is in strong agreement with certain proposals found in the master plan regarding the International Terminal. They support the Airport's plan for a single FIS facility. He said that federal inspection is a large and often difficult segment of the international aviation picture. SFO's plans for a single FIS facility are both prudent and sized correctly to best serve the future needs of San Francisco Airport.

Mr. DeBord said that Northwest also supports the expansion from 10 international gates to 26. He said that the existing facility is over crowded and has reached a critical point in its capacity to handle international flights. There is no question that a new facility is needed. The question is, how fast can it be accomplished.

Mr. DeBord said that SFO is on the threshold of further establishing itself as a major international gateway for U.S. aviation. His regional responsibilities include two domestic airports and two foreign airports that are international gateways. He said that in no other location does he have more confidence in the sizing of the facilities and the capabilities of the Airport staff to follow through on such a major project. Approval of this master plan will further establish San Francisco as a major international gateway, insure economic benefits and a world-class stature for years to come. He recommended that the Commission approve the master plan as it is presented and enthusiastically support the staff's plans for the new International Terminal.

Commissioner Murphy said that he recalled in Mr. DeBord's comments to Working Paper 'C' that he expressed doubts on the people mover system.

Mr. DeBord said that he is not a strong supporter of the people mover system. He has seen the proposed system in Chicago and the existing one in Dallas and they don't seem to work at all. He said that John Costas (BPC) has made some very good points as far as moving people in a unique situation like San Francisco. Mr. DeBord said that although he is not 100% behind the system, his leaning is towards it.

Commissioner Murphy said that he is a user of the Seattle system and it seems to work.

Mr. DeBord said that Seattle is a different situation. It has two different satellites and the only way to get to them is via a people mover system.

Mr. Clifford Argue, Vice President for Properties and Facilities for Alaska Airlines, said that Alaska currently operates 20 daily departures from SFO, providing service on the West Coast to both domestic destinations in the Pacific Northwest as well as international flights to four cities in Mexico. He said that in addition to written comments previously filed with the Airport he wanted to reiterate Alaska's strong support of the updated master plan for SFO as set forth in Working Paper 'C' as amended, especially relating to the development of a new International Terminal.

Mr. Argue said that Alaska, as a member of the AFA, endorses the positions of that organization, including the development of a single FIS facility, the simultaneous completion of Boarding Areas 'A' and 'G' on an expedited basis by 1994, the philosophy supporting common use gates in the international facility to allow fair and competitive access to all operators, and the other points presented by Mr. Caso and Mr. Strohm.

Mr. Argue said that Alaska also has domestic expansion requirements, which they understand can and will be accommodated as the master plan development proceeds. He said that Alaska is most pleased with the efforts Airport staff has made to date on this matter and looks forward to a continued close working relationship as this important project proceeds. He urged that the Commission adopt the plan and proceed with the next step.

Mr. David Robinson, Real Estate Manager for Air Canada, said that they fully endorse the Airport's project for a new and separate International Terminal facility at SFO. Specifically, they support the simultaneous completion of Boarding Areas 'A' and 'G' and the new International Terminal building, a single FIS concept which provides sufficient facilities for the proper processing of an anticipated growth in passengers, a terminal and boarding area which provides essential security to properly process and protect the passengers and overall airline operations, the development of a facility which reflects the City of San Francisco's commitment to meet the growth in the Pacific Rim market as well as protecting environmental and ecological concerns. He said that it is Air Canada's desire that all airlines share the common objective of making San Francisco International Airport a major international gateway and cooperate with the Commission and Airport staff.

Mr. Peter DuGre, Pan Am, said that he has three major concerns with respect to Working Paper 'C'. He said that this working paper is termed "Final Draft". A month and a half ago, in response to some comments made by United Airlines, a substantial change in construction scheduling was presented to the carriers. He did not believe that Working Paper 'C' has been amended formerly to incorporate those changes. Basically, the changes involve the simultaneous completion of concourses 'G' and 'A'. He did not see how the plan can be considered final when it has not been presented formally. The cost of the changes have not been presented either.

Mr. DuGre said that the paper does not address Pan Am's leasehold interests at the Airport in any serious fashion. Pan Am has had continuing discussions and negotiations with the Airport staff but Pan Am's gate and leasehold interests at the Airport are substantial and must be addressed before concourses 'A' and 'G', as well as other construction can be completed.

Mr. DuGre said that United Airlines has proposed a double versus a single FIS system. He said that although Pan Am has some concerns about a double FIS approach, staffing by the Federal government among others, nevertheless, United's claim of potential cost savings deserves to be looked at more carefully. This is a substantial financial undertaking and should not be done in view of one major carrier's objections and claims of a substantial savings. He said that they are working with the Airport staff and they do promote master planning nationwide, if not worldwide, as a means to achieve maximum use of airport facilities. However, this is a financial undertaking and more details should be presented to the carriers.

Commissioner Murphy said that he was puzzled at Mr. DuGre's position. He asked Mr. DuGre if he was suggesting that the entire matter be put off in order to study it further.

Mr. DuGre responded that he would like to see a formal amendment to Working Paper 'C'.

Mr. John Costas, Bureau of Planning and Construction, said that there has been an amendment to Working Paper 'C'. The response shows the changes in the near term plan at the last part of the paper, including an excellerated Boarding Area 'B' schedule. He said that three different maps in the master plan and the schedule now show the excelleration of Boarding Area 'B' as it was presented. This is the simultaneous construction of 'A', 'B' and 'G'.

Mr. DuGre asked when this was done.

Mr. Costas responded that these changes are on the final draft before the Commission today.

Mr. DuGre asked when it was distributed to the carriers for review.

Mr. Costas responded that it was just produced and distributed to the carriers in the last week and a half.

Mr. Turpen assured Mr. DuGre that it was in the copy.

Mr. DuGre explained that his point was that it is premature to ask the carriers to endorse the program in view of the size of the undertaking and the fact that the schedule and last page have been changed without any idea of the cost involved.

Commissioner Murphy asked Mr. DuGre if he was suggesting that he would support the master plan if he had more time.

Mr. DuGre said that he has three main concerns. One of the concerns is the impact on the cost in excellerating construction time from 1998 to 1994. He said that comments at an earlier meeting indicated that this would result in a decrease rather than an increase in costs. He also has concerns about Pan Am's leasehold interests which have not been addressed. He said that the dual versus single FIS facility deserves additional consideration in view of a claim of substantial savings to the program. He said that he would let United Airlines address that issue.

Commissioner Murphy said that that is where he is puzzled. He asked Mr. DuGre if he wanted to reexamine the entire basis of the master plan and the new International Terminal.

Mr. DuGre responded if the substantial savings of a dual FIS versus single FIS facility claimed by United will be in the hundreds of millions of dollars. He said that he needs to see a comparison to determine whether or not such a savings can be achieved.

Commissioner Duvall believed that that had been examined.

Mr. DuGre said that according to United's comments in the newspaper, he did not believe that has been looked at.

Commissioner Duvall did not understand what Mr. DuGre was recommending the Commission do at this time. She said that a draft master plan is before the Commission today with documentation beyond belief. She asked Mr. DuGre if he has seen the Airport's response to United's comments.

Mr. DuGre said that he has seen the response.

Commissioner Duvall said that the Commission understands that United is not satisfied with that response but they also understand that United has many reasons to be significantly interested in a dual FIS approach.

Mr. DuGre said that the Commission understands that United is not satisfied with the response. He has said that Pan Am is not satisfied with the comments. He does not understand the Commission's puzzlement.

Commissioner Murphy said that Mr. DuGre's first two points are understandable. His third point sounds like he is opposed to the concept of the new International Terminal and a single FIS facility.

Mr. DuGre said that that was incorrect. He said that United has claimed that by constructing a dual FIS facility hundreds of millions of dollars can be saved in this proposal. United is not satisfied with the comments. He said that he would like to see more detail comparing the two approaches to see whether or not the savings are real.

Commissioner Murphy concluded that Mr. DuGre was asking for more time.

Mr. DuGre responded that that was correct.

Mr. Gordon Cheung told the Commission that he is an architect in San Francisco and has worked alot with both Pacific Rim and San Francisco businesses. He said that he is a co-founder and past president of the Asian American Architects and Engineers whose 100 or so members do a considerable amount of work both with the City and with Pacific Rim investors.

Mr. Cheung said that they have had the opportunity over the past months to participate in the briefings and the meetings with regard to the master plan that Mr. Yuen has mentioned. Speaking as an individual he said that he was pleased to support the master plan. His firm consistently receives questions from their clients as to the business climate in San Francisco, specifically with regard to planning policies and constraints which are perceived by overseas investors. They all understand that this is a very difficult question to address and it's not something that is done easily. Whether right or wrong, there is a perception by many of their clients that San Francisco's business climate is very negative. He believed that the opportunities presented by the implementation of the master plan can go a long way in reversing some of these perceptions by overseas clients.

Mr. Cheung said that setting aside the concerns of overseas investors, he believed that the implementation of the master plan provides a major opportunity for those who reside in San Francisco, pay taxes and are small businesses in the Bay Area. This is an

important project both for the design and construction community. For those reasons he hoped that the Commission considers strongly the approval of the master plan.

Ms. Linda Kraus, a San Francisco resident, said that San Francisco Airport has proven itself to be a very profitable entity. She said that as a resident and taxpayer of San Francisco she strongly supports the draft master plan. She has reviewed the plan and feels that the economic benefits and the improved service which would result from this needed expansion would outweigh any negative concerns.

Mr. Bob Regal, So. San Francisco resident, said that he owns a home one mile north of the main flight path heading west from the Airport and he is concerned about the noise issues. In reviewing the master plan it is his understanding that there will be adequate space at each gate for the new larger and quieter aircraft such as the 747-400. He believed that with the implementation of the master plan and these new gates the noise to his community will be reduced. As a result, he supports the master plan and applauds the Commission and Airport staff in its development.

Mr. Timothy Treacy, San Francisco Airport Noise Committee, told the Commission that the Airport staff, in particular Mr. Turpen and John Costas of the Bureau of Planning and Construction, have been most cooperative during this process. He also acknowledged the recognition given in the final draft plan to the noise problem as it exists in San Francisco. He said that his Committee has participated in all phases of this process and supplied written comments to Working Paper 'C'. He stressed that he received a copy of the final draft master plan on Friday and had a brief opportunity to review it.

Mr. Treacy said that his Committee continues to be disturbed by the recitations that the master plan and the EIR are being considered in tandem. He said that this does not appear to be the case. The master plan is being adopted and that will set it in concrete. He said that he was not sure how the EIR would address the environmental considerations with which his Committee is concerned, namely the noise impacts over San Francisco. There is no discussion of them in the master plan and the plan does not attempt to address any environmental considerations or possible alternatives to the problems as they see them. He said that the Committee is also disturbed by the failure of the plan to come to grips with the fact that the implementation of this plan will result in a substantial number of increased operations.

Mr. Treacy said that both the General Accounting Office and the FAA have recently issued reports which discuss this problem. Both of these reports state that the Airport is engaged in a planning process to either reconfigure, remodel or add new runways for the specific purpose of increasing capacity. The FAA report recognizes that this will increase noise problems at SFO. The GAO report takes a slightly different view but acknowledges that the number of flights will increase.

Mr. Treacy said that his Committee is also concerned that the final draft document has not been made public. He acknowledged that his Committee received a copy and has had the opportunity to review it, but said that it seemed strange that the master plan is being adopted without any opportunity for public review. He said that he failed to understand this.

Mr. Treacy concluded by again acknowledging the help that his Committee has received from the Airport staff.

Mr. Paul Van Wert, United Airlines, told the Commission that United Airlines was the airline that was most impacted operationally by the October 17 earthquake. He read a statement from Rod Strickland, United's General Manager in San Francisco:

On behalf of the 17,000 Bay Area United Airlines employees, I would like to publicly thank Lou Turpen and the Airport staff for their immediate and responsive help following the October 17 earthquake. As you have seen from the video, United's North Terminal sustained the most severe damage of the public terminal buildings. United Airlines appreciated the Airport's assistance in returning the facility to service in record time. We also commend their continued efforts to minimize the concerns of our customers and efforts to replace ceiling tiles and carpet are being addressed quickly and cooperatively. Finally, we appreciate the transportation arrangements made with SamTrans and San Francisco Airporthier to assist our East Bay employees in getting to and from work. These special arrangements were coordinated by Lou Turpen's staff. In total, the response and cooperation has been exemplary. We thank you, the Airports Commission, Lou Turpen and all the City employees.

Sincerely, Rod Strickland, General Manager, United Airlines, San Francisco International Airport.

Mr. Van Wert said that he knew that United has had other opportunities to thank Mr. Turpen for his efforts but they wanted to do it for the Commission as well.

Mr. Van Wert read another statement from Mr. J. Richard Street, Vice President of United's Airport Affairs in Chicago, regarding the proposed new International Terminal facility (see attached).

Mr. Turpen told the Commission that both Jason Yuen and John Costas were available to answer questions regarding this matter.

Commissioner Goosby, in response to Mr. Treacy's concerns, said that the master plan is being adopted pending approval by the City Planning Commission. He said that an environmental impact report must be done as well before Board of Supervisor's approval can be obtained. He assumed that the City Planning Commission will hold hearings as well. He said that the process cannot begin until the Commission adopts the plan. We must proceed so that revisions can be made in view of City Planning's EIR.

Commissioner Goosby said that he looks at this as the first step and it can be amended as the need arises. He said that he is also interested in obtaining comments from Customs/Immigration regarding the advantages and/or disadvantages of a dual versus single FIS facility and an explanation of the cost factor as well.

Mr. Turpen said that he would be happy to provide the Commission with the Customs/Immigration information.

Mr. Turpen said that the Commission's approval is necessary so that the plan can be transmitted to the City Planning Commission and they can initiate their process.

Commissioner Goosby concluded by saying that there is more to this plan than the International Terminal. There are facets to the plan that will cause changes to take place that will effect both the City and County of San Francisco and San Mateo County. It is important that it not get hung up in a debate over just the International Terminal. The entire package must be considered and approved.

4. Authorization to File Application for Federal Financial Assistance

No. 89-0201

Resolution designating Director of Airports as agent of Airports Commission to execute and file application for Federal Financial Assistance under the Federal Disaster Relief Act or Federal Assistance otherwise available from President's Relief Fund.

Mr. Turpen explained that this is an administrative item in the aftermath of the October 17 earthquake. The Airport may be eligible for Federal funds and this resolution authorizes him to act on behalf of the Airports Commission in applying for those funds.

5. \$466,005.00 Supplemental Appropriation for Operating Expenses Related to the Earthquake

No. 89-0202

6. Bid Call - Contract No. 2259:
Area Lighting - Plot 99 and 100

No. 89-0203

Resolution approving the scope, budget and schedule for Contract 2259, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

* * *

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously. Item No. 9 was amended.

7. Declaration of Emergency
Contract No. 2260:
Emergency Water Main Repairs

No. 89-0205

Resolution ratifying the action of President of the Commission in declaring an emergency because of water main damage at various Airport locations due to earthquake and directing the Director of Airports to effect the necessary repairs.

8. Declaration of Emergency
Contract No. 2262:
Emergency Earthquake Damage Repair - Airfield

No. 89-0205

Resolution ratifying the action of the President of the Commission in declaring an emergency (Earthquake Damages to the Airfield Facilities) and authorizing the necessary repairs.

9. Declaration of Emergency

Contract No. 2263:

Emergency Earthquake Damage Repair - Terminal

No. 89-0206

Resolution ratifying the action of the President of the Commission in declaring emergency (Earthquake Damage to Terminal Structures) and authorizing the necessary repairs.

10. Declaration of Emergency

Contract No. 2264:

Emergency Earthquake Damage Repair Airport Supports

No. 89-0207

Resolution ratifying the action of the President of the Commission in declaring an emergency (Earthquake Damage to Airport support buildings and structures) and authorizing the necessary repairs.

11. Declaration of Emergency

Contract No. 2265:

Emergency Earthquake Damage Repairs - Groundside

No. 89-0208

Resolution ratifying the action of the President of the Commission in declaring an emergency (Earthquake Damage to Airport Groundside Facilities) and authorizing the necessary repairs.

12. Declaration of Emergency

Contract No. 2266:

Emergency Utilities Repairs

No. 89-0209

Resolution ratifying the action of the President of the Commission in declaring an emergency because of utility damage at various Airport locations and directing the Director of Airports to effect the necessary repairs.

13. Bid Call: Contract No. 2258:

Emergency Pavement Repairs - 1990

No. 89-0210

Resolution approving the scope, budget and schedule for Contract No. 2258, Emergency Pavement Repairs-1990 and authorizing the Director to call for bids.

14. Award of Contract No. 2172R:

Airport Auto Shop Replacement of Leaking Hoists

No. 89-0211

Resolution awarding Contract No. 2172R to Ernie Lowe and Sons, Construction in the amount of \$88,045.00.

15. Award of Contract No. 2163R:

Airport Fuel System Repair and Related Work 1989-1990

No. 89-0212

Resolution awarding Contract No. 2163R to Crisp Construction in the amount of \$164,048.00.

16. Resolution Approving the Sublease of a Portion of TWA's Air Freight Facility Located on Plot #3 from Trans World Airlines, Inc. by West Coast Fueling, Inc.

No. 89-0213

17. Resolution Approving Reimbursement of Temporary Relocation Costs for Dollar Rent A Car.

No. 89-0214

Mr. Turpen explained that the funds that are being expended for this item will not adversely impact SFO if the entire plan were to cease tomorrow. He said that there are certain facility requirements and limitations on facility space and this action accommodates the desire to move forward with the master plan.

Commissioner Goosby asked if this company would move into another structure in any event.

Mr. Turpen responded that it would.

* * *

I. NEW BUSINESS:

Mr. Turpen introduced a resolution to the Commission concerning DHL Airways. He said that DHL has a variance to operate at SFO until December 31, 1989. DHL approached staff within the last day or two with a petition for a new variance that would put into motion the hiring of an independent hearing officer to gather evidence in this matter. This resolution continues a tradition previously authorized by the Commission and directs him to retain the hearing officer to conduct the appropriate hearing. He said that the results will be reported back to the Commission for action by the first meeting in December.

The resolution was adopted unanimously.

No. 89-0215

Commissioner Goosby hoped that the public understood that this section of the calendar provided the opportunity for members of the public to address the Commission on matters that have not been calendared.

Mr. Garibaldi added that the law requires the Commission provide members of the public with the opportunity to speak.

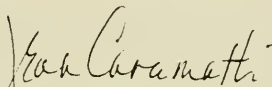
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J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

L. ADJOURNMENT TO GO INTO CLOSED SESSION:


Jean Caramatti
Commission Secretary

ASSOCIATION OF FOREIGN AIRLINES
San Francisco International Airport
P. O. Box 8737
San Francisco, CA 94128

November 6, 1989
REF: SFO-AFA-002

NOV. 0 6 1989

The Honorable Morris Bernstein
President
Airports Commission
San Francisco Int'l Airport
San Francisco, CA 94128

RE: PROPOSED NEW INTERNATIONAL TERMINAL FACILITY

Dear Mr. Bernstein:

We appreciate the opportunity to address the San Francisco Airports Commission regarding the Proposed New International Terminal Facility in reference to the Master Plan.

The Association of Foreign Airlines was recently formed to represent the collective interests of 14 airlines comprising in excess of 79% of all international flight activity at San Francisco International Airport.

The current members of the Association are:

Air Canada	Canadian	Mexicana	Singapore
Air France	China	Northwest	UTA
Alaska	Japan Airlines	Philippine	
British Airways	Lufthansa	Qantas	

As stated in previous correspondence to the Airports Commission, we are enthusiastic about the proposed development of a new international terminal and wish to express our support for the Master Plan with regards to the development of this facility based upon the following stipulations:

- * Simultaneous completion of Boarding Areas A & G and the new International Terminal Building on an expedited basis to be completed by 1994.
- * A single Federal Inspection Service (FIS) concept which provides sufficient facilities for the proper processing of passengers.
- * A terminal and boarding area plan which provides the necessary security to properly process and protect the passengers and public.
- * A philosophy supporting Common Use Gates which allows for the proper competitive environment enabling all airlines to develop market share without giving preference to any one airline.

The Honorable Morris Bernstein
November 6, 1989
Page 2

- * Granting the exclusive lease of ticket counter, administrative office space, ramp level space, VIP lounge space and other support space provided that such space is directly related to airline operations.
- * That all US flag airlines having both domestic and international operations at San Francisco International Airport be provided contiguous domestic and international facilities.
- * That the airport and airlines will develop mutually acceptable Common Use Gate Allocation Priorities which will be included in future lease documents that all parties will be obligated to comply with prior to operating at the International Terminal.
- * That the airlines are allowed to:
 - Furnish, install, operate and maintain trade fixtures and equipment (such as passenger loading bridges, FID and BID Systems, baggage systems, etc.)
 - Assume operational responsibility for gate scheduling of common use gates.
- * Acceptance of the above precepts by the Airport staff.

It is our goal that all parties share the common objective of making San Francisco International Airport a major international gateway, and we believe that acceptance of the above views will create the atmosphere to move forward in an expeditious and positive manner.

The AFA encourages the rapid development of this new facility and urges the Commission to adopt the necessary policies which include our views to commence this project.

Sincerely yours,

ASSOCIATION OF FOREIGN AIRLINES

Carlos Caso
Chairman

CC:sev

cc: Hon. Art Agnos, Mayor
Hon. Z. L. Goosby, Vice Pres. Airports Commission
Hon. D. R. Stephens, Airports Commission
Hon. S. B. Duvall, Airports Commission
Hon. P. A. Murphy, Airports Commission
→ Mr. L. A. Turpen, Director of Airports



UNITED AIRLINES

Executive Offices

November 7, 1989

The Honorable Morris Bernstein
President
Airports Commission
San Francisco International Airport
San Francisco, California 94128

Re: SVIA Master Plan; Proposed
New International Terminal

Dear Mr. Bernstein:

United Air Lines, Inc. appreciates and welcomes the opportunity to provide comments to the San Francisco Airports Commission with respect to the Proposed New International Terminal Facility that is a fundamental element in the Final Draft Master Plan for the San Francisco International Airport.

United continues to be not only the Airport's leader in domestic and international activity but, more importantly, its consistently positive supporter and participant in terms of airport development, both airfield and terminal. We reconfirm to the Commission today our corporate commitment to maintain and enhance our long-standing relationship with the City and County of San Francisco.

Last January, United formally announced its plans regarding new jobs for the Bay Area and our acquisition of wide-body aircraft for use in United's greatly expanded Pacific Rim international operations to and from San Francisco International Airport. United's plans clearly demonstrated a substantial and priority requirement for expanded and enhanced international facilities at the Airport. We also indicated United's desire and need to lease and occupy the new Concourse G to be constructed at the Airport under any one of various scenarios.

Throughout 1989, United has moved forward aggressively with our international expansion at San Francisco. Specifically, we have commenced service to Manila, Taipei, Seoul and Mexico City and, via Honolulu, to Sydney, and we have added a third non-stop flight to Tokyo. United has also announced its intention to begin to include non-stop service from San Francisco to such European destinations as Frankfurt, London and Paris.

The Honorable Morris Bernstein
November 7, 1989
Page 2

The Airport clearly needs additional terminal facilities, including expanded FIS facilities -- and needs them at the earliest possible date. The City, acting through this Commission, has a proven track record for responding affirmatively and expeditiously to satisfy the Airport's needs. Quite frankly, this record of professionalism was a key factor in United's decision to focus our international growth plans at the Airport and to move forward on such a rapid basis.

Over the last 18 months, planning for new or expanded international terminal (FIS) facilities at the Airport has evolved from an original City plan to expand the existing International Terminal (Boarding Area D) into Boarding Area E; to a United proposal to create a dual-FIS solution with the existing Boarding Area D and construction of a new international Boarding Area G; to the current City proposal to construct an entirely new International Terminal, which would encompass new Boarding Area A and G, with a single-FIS facility contained in a new terminal spanning the entrance roadway.

United's recommendation for a dual-FIS solution remains the most economical and timely of the alternatives considered for terminal expansion at SFIA. However, after comprehensive discussions and reviews with the Director of Airports and his staff, United has determined that, under certain conditions, it can support the New International Terminal/Concourse A and G concept embodied in the Final Draft Master Plan now before the Commission for review and approval. A fundamental element of United's support is the requirement that the total International Terminal program must adequately accommodate United's growth requirements at the Airport, both international and domestic.

Regarding concepts, United will be discussing with the Director of Airports and his staff the appropriate procedures and agreements for achieving the following objectives, each of which facilitates the early implementation of the total International Terminal (FIS) program:

- (1) Negotiation of a mutually acceptable early termination of certain United land leases on areas that are required for the Concourse G development;
- (2) Identification of replacement land and/or facilities as alternative sites for United to replace its dislocated facilities.
- (3) Negotiation of a long-term lease for all of Boarding Area G, which lease will include provisions designed to provide for United --

The Honorable Morris Bernstein
November 7, 1989
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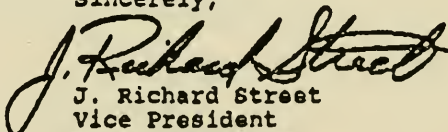
- (a) Exclusive use of gates necessary to support its total domestic operations;
- (b) Preferential use of gates necessary to support its current and expanding international operations; and,
- (4) Development and implementation of an expedited construction program for the entire International Terminal project which will ensure that these expanded and enhanced facilities will be available for occupancy by United and the other airlines no later than June 1994.

United has reviewed the October 6, 1989 letter to this Commission from the Association of Foreign Airlines ("AFA") on the referenced subject. To the extent that the AFA position is not inconsistent with the United position stated herein -- and in certain key instances, there are clear inconsistencies -- we basically concur with the identified issues, and we look forward to a joint and cooperative effort with the AFA and the Airport staff in seeking appropriate and early resolution of these issues.

In summary, United strongly supports the immediate need for expanded and enhanced international terminal (FIS) facilities at the Airport, as a fundamental element of a total development program that is responsive to both international and domestic growth requirements for the carriers serving the Airport. We have clearly identified United's near and longer-term needs and we will work cooperatively with the Airport staff and the other airlines to ensure that the total requirements of the Airport and, most importantly, the traveling public, are met in a timely and appropriate manner.

We urge the Commission to take those actions necessary to promptly achieve our common objectives.

Sincerely,


J. Richard Street
Vice President
Airport Affairs

cc: Hon. Z. L. Goosby, Vice Pres. Airports Commission
Hon. D. R. Stephens, Airports Commission
Hon. S. B. Duvall, Airports Commission
Hon. P. A. Murphy, Airports Commission

Mr. L. A. Turpen, Director of Airports

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ART AGNOS, MAYOR COMMISSIONERS

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President

DR. Z. L. GOOSBY

Vice President

DONALD R. STEPHENS

SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

November 21, 1989

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Minutes
of the
Airports Commission Meeting

November 21, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:11 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Sharon B. Duvall

Absent: Donald R. Stephens
Patrick A. Murphy

Due to the demonstration at the Federal Building and the subsequent street closings in the Civic Center area, Commissioner Stephens was unable to reach City Hall to attend this meeting.

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 17, 1989 were adopted by order of the Commission President.

No. 89-0216

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. PENDING LEGISLATION:

Item No. 1 was adopted unanimously.

1. State Legislation

A resolution opposing S.B. 1723 (Roberti) which would require that the State Public Utilities Commission develop procedures for the allocation of access to Airport gates.

Mr. Lou Turpen, Airport Director, explained that this item authorizes the Director to oppose SB 1723. This bill would place terminal gate allocation in the hands of the Public Utilities Commission as opposed to the Airports Commission. This bill is contrary to any number of agreements, leases and Federal constraints. He would like to oppose this legislation and share with the Senate the constraints such action would place on airports.

Commissioner Goosby said that the process of assigning gates does not need any additional involvement.

Commissioner Duvall asked about the status of the bill.

Mr. Turpen responded that the bill has not yet been heard.

Mr. Turpen commented that the future is not in the long term leasing of gates but some flexible assignment system controlled by the Airport. This bill suggests that we stay with a traditional and particularly ineffective approach to gate allocation. He said that if the Assembly and the Senate want to help us they can void all long term terminal gate assignments.

Commissioner Goosby asked if the City's Sacramento lobbyist is aware of the Airport's position.

Mr. Turpen said that she is. He said that this action will be shared with all appropriate persons, including our lobbyist.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

2. Selection of Underwriters for the Refunding of the Series D Bonds

No. 89-0218	Resolution authorizing Airport staff to request proposals from firms to serve as Senior Manager for the proposed refunding of the Series D Bonds.
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Mr. Turpen said that some months ago Commissioner Bernstein requested staff examine the possibility of refunding Series D bonds at a more attractive interest rate to reduce our debt service. Staff has determined that the mechanisms are in place to effect such a refinancing. He said that about \$700,000 a year can be saved in debt service. He asked the Commission to request proposals from underwriters to serve as the Airport's senior manager in this effort.

Commissioner Duvall noted that the package contained a sentence which strongly encourages joint proposals with minority and women-owned firms and felt it was important that the public realize that.

3. Authorization to Accept Proposals: Information Booths at S.F.I.A.

No 89-0219	This package is to obtain Airports Commission authorization to issue a Request for Proposals for the Airport Information Booths in the lower level
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baggage claim areas of the terminals. A Director's Report was presented to the Airports Commission on October 3, 1989, describing the need and purpose for Airport Information Booths. The background of the program, a revised time schedule for implementation, a revised cost analysis and a summary of the services to be provided are included. This program would be phased in with the establishment of three Information Booths in mid-1990 and two additional booths in mid-1992.

Mr. Turpen said that the Commission previously received a report from staff concerning the Information Booths. He called the Commission's attention to the implementation timetable located in the package. This agenda item requests Commission approval to solicit proposals for these booths. Staff anticipates a two-phased implementation. Phase I will include three booths in each terminal. Phase II will provide two additional booths each in the North and South Terminals.

Commissioner Goosby asked what the criteria for success will be.

Mr. Turpen responded that the criteria will be the degree to which the booths are utilized and proved of benefit to the traveling public. Staff wants to ensure that the information provided is as objective and broad-based as possible, as opposed to responding to a question with a single alternative.

Mr. Turpen said that the passengers will not be as much of a problem as will be the concerns of those groups who serve the Airport and who want to ensure that they are not foreclosed by virtue of the information given. He said that the training program will be particularly important.

Mr. Turpen said that staff will share the proposals presented with the Commission and provide recommendations. The proposals will have to meet a certain criteria and staff will look for the most efficient, cost effective proposal offering the broadest range of services.

Commissioner Goosby suggested that the Commission be provided with an objective evaluation on a quarterly basis.

Mr. Turpen said that information booths have had a checkered past. Although O'Hare's experience with information booths was positive, the idea was abandoned. He said that O'Hare's booths were narrowly focused. Staff wants to market SFO's booths more aggressively.

Commissioner Goosby asked if the Mayor's Office requested that certain material be included for distribution.

Mr. Turpen said that he saw this as a vehicle for responding to the Mayor's concerns of how to get San Francisco information into the hands of the traveling public who want and need it as early as possible. He said that many Pacific Basin airports have information booths and information packages on site. This would be a good vehicle to provide similar information to persons arriving in San Francisco, particularly international passengers.

Commissioner Duvall asked what sorts of background/qualifications were being required.

Ms. Janice Gendreau, Landside Operations, responded that staff was looking for background that emphasized business management and customer service organizational skills. Secondly, it would be the program itself the bidder was proposing. Thirdly, the cost of the bid. She said that the emphasis is on customer service and a business management/bookkeeping background.

Mr. Turpen said that this will be a Prop J effort and will require the Controller's approval.

Ms. Gendreau added that about six parties were currently interested.

Commissioner Duvall asked the nature of the businesses in which these people are currently involved.

Ms. Gendreau responded that they are Traveler's Aid, Pacific Bell and analyst-type consultants with both business and transportation backgrounds. She said that at least two people in the transportation area are interested although she was uncertain if they were appropriate.

Mr. Turpen said that there has been significant expressions of need for a specific area in the baggage claim area where passengers could seek objective information on the Airport. Presently, passengers go to whomever is available, whether it be rent-a-car counters, limousine counters or police officers. The information passengers currently receive depends upon the individual providing it. He said that staff is trying to come up with a mechanism whereby all information can be integrated into an objective format and presented by qualified, unbiased persons. The objective is the passenger's goal, not a private sector goal.

Commissioner Duvall felt that current ground transportation operators should be disqualified from bidding on the basis of conflict of interest.

Mr. Turpen agreed that hiring a ground transportation operator would be a problem. He asked Mr. Fein of Landside Operations if ground transportation operators have been disqualified from bidding.

Mr. Fein said that anyone providing a ground transportation service at the Airport would be prohibited from bidding on the contract.

Commissioner Duvall said that some ground transportation operators have expressed an interest. She asked if any quasi-governmental organizations in the City, such as the Conventions and Visitors Bureau, expressed an interest in operating this service.

Mr. Fein responded that Traveler's Aide expressed an interest and he has had discussions with the Mayor's Office as well. Although the Convention and Visitor's Bureau is not interested in providing the service, they will provide the contractor with the type of information they would like distributed.

Mr. Turpen felt that because of the significant ground transportation element it moves the Convention and Visitor's Bureau away from their basic focus. He said that he would welcome their participation or personnel.

Commissioner Duvall asked if minimum staffing requirements were being specified.

Mr. Fein responded that minimum hours of service in each building, with the ability to expand beyond those base hours is being required.

Booths can be shut down during quiet periods. In the event a passenger requires assistance in that terminal, Information Booth personnel will be available to the passenger via a telephone hook-up. Mr. Fein added that multi-lingual services will also be required.

Commissioner Goosby asked how we are able to eliminate the bidding process.

Mr. Don Garibaldi, Airports General Counsel, responded that this is a professional services contract which is provided through requests for proposals. It is not a lease, which requires bidding. This is very much like a management contract where the Airport provides the space.

Commissioner Goosby commented that the garage is handled through a management contract.

Mr. Garibaldi said that potential operators will be asked to provide a plan as to how they would operate the service. In the case of the garage, the Airport specified all the details as to how the garage would be operated. He said that while specifics were laid out in this proposal as well, the Airport will also look for ideas on how to run the operation and additional services to be provided.

Commissioner Goosby said that he is always nervous when requests for proposals go out for some things and bids are requested for others. He wants to be very clear that there is a legal responsibility to bid certain items and was curious why this did not require a bid.

Mr. Garibaldi said that while he is the strongest advocate of bidding everything, this does not require a bid because there are no clear specifications defining what we want.

Mr. Turpen added that quite often specifications are structured from experience and this is an unstructured or unexplored area. The Commission needs to keep its options open in looking at proposals as this is not just an issue of cost. This goes beyond money to the ability to train, how staffing will be handled and the quality of the program. The bidder will use the Airport's criteria as the basis for a program. He said that there are many possibilities and the Airport will look for an infusion of creativity and imagination in the proposals.

Commissioner Goosby asked what the dollar amount for bidding would be.

Mr. Garibaldi responded that the amount is \$50,000.00.

4. Authorization to Accept Proposals:
Agreement for Operator Assisted Long Distance Service from Pacific
Bell Public Pay Telephones

No. 89-0220

Resolution authorizing staff to accept proposals for the Agreement for Operator Assisted Long Distance Service from Pacific Bell Public Pay Telephones.

Mr. Turpen explained that this is a request for proposals for long distance service at SFO. He said that this item has been the subject of some discussion and a lawsuit. The Commission instructed staff to move expeditiously. Staff has tried to maximize the number of participants by not foreclosing anyone in the bidding criteria yet maintaining a responsible set of bidding criteria at the same time. He said that staff has done an excellent job.

Mr. Garibaldi added that the litigation resulted in a determination by the court that the Airport can proceed by way of a request for proposals.

5. \$19,799,658 Supplemental Appropriation to Fund Approved Capital Projects

No. 89-0221

Mr. Turpen explained that this is an administrative requirement. The Commission has already approved the projects.

Commissioner Bernstein asked how long this will take.

Mr. Turpen said that it is a fairly straightforward process and will take two to three months.

Mr. Peter Nardoza, Assistant Deputy Director for Business and Finance, explained that it will leave the Airport today and go to the Mayor, from the Mayor to the Controller, from the Controller it goes back to the Mayor, from the Mayor it goes to the Board of Supervisors, from the Board it goes to Committee, from Committee it goes to the full Board, and after the full Board acts it goes back to the Mayor for his signature.

Mr. Turpen said that because of the structure that has been in place for many years, routine matters suffer the same protracted scrutiny as everything else. He added that the length of time will not impede the Airport's activity.

6. Bid Call - Contract No. 2160:
In-Transit Lounge International Terminal

No. 89-0222

Resolution approving the scope, budget and schedule for Contract 2160, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

Mr. Turpen explained that the Airport needs an in-transit lounge as the Airport continues to experience more and more passengers coming from the Pacific and continuing on to Europe. These passengers wait on the ground for the aircraft to be serviced and need a sterile waiting area. The Airport has made a swap with Qantas for space.

Commissioner Goosby asked who would provide the refreshments for these passengers.

Mr. Turpen responded that Host will provide refreshments via a snack bar facility, with the passengers paying Host directly. This is a standard arrangement.

Mr. Turpen explained that these passengers do not need to clear customs as they are only transiting. Theoretically, they never enter the United States. An in-transit lounge saves these people from clearing customs twice, here and at their final destination.

Commissioner Duvall asked what the VIP Room was for.

Mr. Turpen responded that he was not certain but assumed that it might be a small area where transiting dignitaries could wait.

Commissioner Duvall asked if that was an appropriate area for them.

Mr. Turpen explained that if they are transiting passengers they can't legally enter the country without clearing customs. He explained that there is a shortage of space and Qantas was willing to move its lounge to the International Terminal building itself. Qantas will pay rent on the new space and develop it themselves. He said that there may be some unamortized cost for the construction of that lounge for which Qantas may be reimbursed. The in-transit lounge will be constructed in such a way as to meet customs/immigration requirements for separation of passengers and maintaining the sterility of the area. This room should accommodate our needs for the next three or four years until the new International Terminal is built.

7. Authorization to Conduct Pre-bid Conference:
Executive Stationery Store Lease

No. 89-0223	Resolution authorizing staff to conduct a pre-bid conference for an Executive Stationery Store Lease.
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Mr. Turpen told the Commission that this concession will replace the Sunglass kiosk. He thought it was a good idea and said that a number of other airports are looking at this concept as well.

Mr. Bob Rhoades, Property Management, said that this type of concession, though not currently in place in other areas, is being considered at four or five airports. Staff will contact upper-end stationery stores in downtown San Francisco as well as in Contra Costa County.

Commissioner Duvall asked what would happen with the shoeshine lease.

Mr. Rhoades responded that it is currently out to bid.

Commissioner Duvall asked if it would remain in the same location.

Mr. Rhoades said that it would.

Commissioner Bernstein asked how many square feet this will encompass.

Mr. Rhoades responded that it will be a small store with 152 sq. ft.

Mr. Turpen said that it will basically be a counter.

Commissioner Bernstein commented that the minimum bid would be \$25,000.00.

Commissioner Duvall asked what the minimum bid on the Sunglass Kiosk was.

Mr. Rhoades responded that he did not know.

Mr. Turpen said that some of the Commission's questions might be satisfied by the response staff receives from the pre-bid conference.

Commissioner Goosby did not feel that a store of this type required a selection of expensive items, nor did he feel that the square footage would accommodate this concept.

Mr. Turpen said that the pre-bid conference would give us the information we need. He said he liked the idea and if it doesn't work in this space it can be considered for another location.

Commissioner Goosby asked if the luggage storage concession sold luggage as well.

Mr. Turpen responded that it provides repairs but does not sell luggage, nor does any other concession at the Airport.

Mr. Nardoza added that several concessions sell tote bags.

8. Sublease Between Trans World Airlines, Inc. and GTE Mobilnet of California, Ltd.

No. 89-0224	Resolution approving a sublease between Trans World Airlines, Inc. (TWA) and GTE Mobilnet of California, Ltd. for installation of a Cellular Receiving and Transmitting Unit at TWA's cargo building.
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9. Authorization for a Christmas Bazaar

No. 89-0225	Resolution authorizing a Christmas Bazaar for Airport, airline, and other tenants' employees.
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Commissioner Goosby liked the idea and suggested that twice a year might be even better.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

10. North Terminal Bookstore - Design Approval

No. 89-0226	Resolution approving design of North Terminal Bookstore.
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11. Award of Contract No. 2144R:
Monitoring/Recovery Wells Installation
North Terminal - Groundwater

No. 89-0227	Resolution awarding Contract 2144R to American Construction and Supply, Inc. for \$61,973.00.
-------------	---

Mr. Bouey explained that there are currently about 50 groundwater wells. This well is in response to a specific underground tank that was leaking. The tank has since been replaced but that area must now be cleaned up. There is a perimeter well system that comes in off the perimeter of the Airport towards the terminals which enables us to keep an eye on the underground fuel system.

Commissioner Goosby asked what the statement "...and we will recover contaminated groundwater" means.

Mr. Bouey responded that the amount of damage will be measured and the contaminated water will be removed. He said that this is not drinking water, it's brackish water.

Commissioner Goosby asked if City contracts and their bid amounts are being kept track of. He did not believe that American Construction and Supply would have bid this low had it not been for the fact that they had to compete with MBE/WBEs. He did not think anyone was aware of how much money the City saves because of this requirement.

Mr. Nardoza told Commissioner Goosby that the Human Rights Commission just received a \$258,000 supplemental appropriation from the General Fund. The funds will be used to purchase a computer system to track the MBE/WBE process and its success. He said that he did not know exactly what the system will measure because the program is not currently in place.

12. Resolution Ratifying Personnel Actions

No. 89-0228 Resolution, in accordance with the requirements of San Francisco City Charter Section 3.501, ratifying and approving certain personnel actions taken by the Director of Airports.

* * *

H. NEW BUSINESS:

Mr. Turpen introduced a resolution authorizing him to hire an independent hearing officer to conduct a variance hearing for AirTrain and Ryan International.

Commissioner Duvall thought there was quite a bit of confusion on Ryan's part as to this process.

Mr. Turpen said that registered letters are sent to these airlines prior to the 60 day notification period reminding them that they have to reapply.

The resolution was approved unanimously.

No. 89-0229

* * *

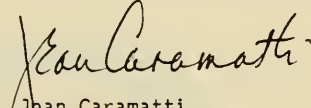
I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

K. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:54 AM to go into closed session.


Jean Caramatti
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

December 5, 1989

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DR. Z. L. GOOSBY

Vice President

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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of the Minutes
Airports Commission

December 5, 1989

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Minutes
of the
Airports Commission Meeting

December 5, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:00 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present:	Morris Bernstein, President Z. L. Goosby, Vice President Donald R. Stephens Patrick A. Murphy
Absent:	Sharon B. Duvall

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 21, 1989 were adopted by order of the Commission President.

No. 89-0230

* * *

D. POLICY:

The following item was adopted unanimously.

1. Small Business Enterprise Definition

No. 89-0231	Resolution amending the small business enterprise definition by increasing the gross sales threshold.
-------------	---

Mr. Lou Turpen, Airport Director, explained that in 1985 the Commission defined a small business enterprise as one with a gross sales threshold of \$600,000 for one principal and \$2-million for more than one principal. He said that based on past inflation as well as in anticipation of inflation over the next two years, staff recommends that those thresholds be adjusted to \$800,000 and \$2.6-million respectively, effective January 1, 1990.

Commissioner Goosby asked for HRCs definitions.

Ms. Angels Gittens, Deputy Director of Business and Finance, responded that HRC no longer has a definition for concessions because the definition of small is now linked to the definition of a minority or woman-owned business. A business now only has to be a certain size to qualify as a small or woman-owned business.

Commissioner Goosby asked if HRCs definition for small business was \$2-million.

Ms. Gittens responded that it varies depending on the type of business. For construction it is \$14-million.

* * *

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

The following items were adopted unanimously.

2. Termination of Limousine Service Lease No. 85-0108

No. 89-0232	Resolution approving the termination of Limousine Service Lease No. 85-0108 Association Limousine Operators of San Francisco, Inc. as Lessee.
-------------	---

Mr. Turpen explained that this item calls for termination of Associated Limousine's lease for failure to meet their responsibilities under their lease.

Mr. Al Arnaud, attorney for Associated Limousine, told the Commission that two separate items are alleged as grounds for default. The first is Associated's failure to provide a performance bond. He said that under Associated's lease the Airport is required to give notice to Associated of that breach and allow them 30 days to cure under. He said that Associated has not received written notice in reference to the performance bond and has had no opportunity to cure. Mr. Arnaud said that the delinquent rent is alleged as of June, 1989. He has a facsimile copy of the rent check that Associated paid to the Airport in the amount of \$36,269.61 for June. He said that it was also his understanding that the November payments were made prior to this meeting. To date the records indicate that Associated has paid \$396,246.00 for fiscal year 1989, bringing them current.

Ms. Gittens explained that regarding the performance bond, a letter was hand-carried to Mr. Andy Fenyes of Associated on October 31, 1989. She said that the Airport did receive a payment for one month yesterday along with one of the late fee periods that was due. She said that it was her understanding that another payment was made today. As of yesterday Associated owed the Airport about \$39,000 which included one months rent in addition to \$3,000 in late fees.

Commissioner Murphy asked if the bond has been replaced.

Ms. Gittens responded that the bond has not been replaced.

Commissioner Murphy understood that Associated was still not current in their rent.

Ms. Gittens responded that that was correct.

Commissioner Stephens asked if Associated's checks have been deposited.

Ms. Gittens responded that they have not been deposited.

Mr. Turpen said that the motion before the Commission is to cancel Associated Limousine's lease as of December 31, 1989. He said that the performance bond and approximately \$39,000 in rent have not been paid. Associated received a hand-carried letter regarding their performance bond on October 31, 1989, the date the bond expired.

3. Candy Mann - Extend See's Candy Cart Trial Period

No. 89-0233 Resolution extending the trial period for Candy Mann to operate a See's mobile candy cart.

4. Revisions to the Five-Year Capital Projects Plan

No. 89-0234 Request for Commission approval of the revised Five-Year Capital Projects Plan.

Mr. Turpen said that this item updates the Five Year Plan, adding new projects and amending and modifying projects within the Five Year Plan. He said that these projects require airline approval under the Lease and Use Agreement. One project, the Airport's proposal to buy the airline improvements in the International Terminal, was not approved by the airlines. He explained that in 1982 and 1983 the airlines made certain improvements to the International Terminal, specifically, guidance systems and passenger loading bridges as well as furniture and miscellaneous items. The Airport, in continuing to promote the terminal as a common use facility which it has been since its inception, wishes to secure this equipment in order to facilitate the common use nature. The airlines have objected. Under the Lease and Use Agreement staff must wait six months before returning to the Commission. At that time the Commission can include this project in the Five Year Capital Plan. He said that staff will return to the Commission with an amendment to include this project at some future date.

5. Bid Call - Contract No. 1866:
Overlay Road R-16

No. 89-0235 Resolution approving the scope, budget and schedule for Contract 1866, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

6. Duty Free Shoppers - West
Approval of International Terminal Candy Shop Remodeling

No. 89-0236 Resolution approving the remodeling of Duty Free Shoppers' International Terminal Candy Shop.

* * *

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

7. Pacific Bazaar - Design Approval

No. 89-0237 Resolution approving the design of the Pacific Bazaar Concession in the North Terminal.

8. Resolution Approving Delta Airlines, Inc. Lease Modification

No. 89-0238 Resolution approving modification to Delta Airlines, Inc. Lease and Use Agreement.

9. Air Canada - Modification No. 1
Resolution Modifying Lease and Use Agreement

No. 89-0239 Resolution modifying Air Canada Lease and Use Agreement No. 82-0110 between Airport and Air Canada.

10. Sale of Former Northwest Airlines Improvements in the South Terminal

No. 89-0240 Request for Commission approval for the sale of former Northwest Improvements to Air Canada.

* * *

H. PUBLIC HEARING:

The public hearing was convened at 9:13 AM and adjourned at 10:45 AM, there being no further public comment. A complete court reporter's transcript of the public hearing is available.

11. Proposed Fees for Off-Airport Rental Car Operators and Other Commercial Ground Transportation Permittees

* * *

I. NEW BUSINESS:

There was no discussion by the Commission.

* * *

J. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

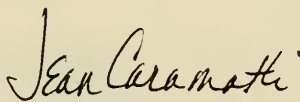
K. CLOSED SESSION:

There was no closed session.

* * *

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:45 AM.


Jean Caramatti
Commission Secretary

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MINUTES

DECEMBER 19, 1989

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DR. Z. L. GOOSBY

Vice President

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SHARON B. DUVALL

PATRICK A. MURPHY

LOUIS A. TURPEN

Director of Airports

San Francisco International Airport

San Francisco, California 94128

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Airports Commission

December 19, 1989

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Minutes
of the
Airports Commission Meeting

December 19, 1989

A. CALL TO ORDER:

The regular meeting of the Airports Commission was called to order at 9:04 A.M. in Room 282, City Hall, San Francisco, Ca.

* * *

B. ROLL CALL:

Present: Morris Bernstein, President
Z. L. Goosby, Vice President
Sharon B. Duvall
Patrick A. Murphy

Absent: Donald R. Stephens

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 21, 1989 were adopted by order of the Commission President.

No. 89-0241A

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTNENACE:

The following items were adopted unanimously.

1. Request of DHL Airways, Inc. for Variance from Noise Abatement Regulation

No. 89-0241

Resolution granting to DHL Airways, Inc. a variance from Section 4(B)(1)(a) of the Commission's Noise Abatement Regulation from January 1, 1990 to December 31, 1990.

Mr. Lou Turpen, Airport Director, told the Commission that DHLs variance will expire at the end of the year. DHL has applied for an extension in a timely fashion. The application was referred to an independent hearing officer under the Commission's rule and Mr. Wharton's findings have been provided to the Commission. Mr. Turpen recommended extending the variance for a period of one year, particularly in view of DHLs concerted efforts to come into Stage III compliance. He said that DHL will eventually be in 50% compliance.

Commissioner Goosby assumed that this variance is for one year provided that DHL has the proper documentation.

Mr. Turpen responded that they must have a binding contract. He said that the problem is one of supply and demand, however, DHL is high up on the priority list. He felt that the problem of obtaining the retrofits is not as significant for DHL and Emery as it is for those carriers who initiated their efforts later on.

Commissioner Goosby asked if this was DHLs first request.

Mr. Turpen responded that this is their second request. They are currently operating under a variance to the 25% rule.

Commissioner Goosby asked if DHL met the deadlines imposed in the first variance.

Mr. Turpen responded that the intention of the noise regulation was to cause carriers to comply within reason. He explained that the retrofits were not available the first year as they had not yet been certified by the FAA. Therefore, it was impossible to comply. DHLs commitment at that time was to secure among the first available.

2. Request of Emery Worldwide Airlines, Inc. (formerly AirTrain) and Ryan International Airlines for Variance from Noise Abatement Regulation

No. 89-0242

Resolution granting to Emery Worldwide Airlines, Inc. (formerly AirTrain) and Ryan International Airlines a variance from Section 4(B)(1)(a) of the Commission's Noise Abatement Regulation from January 1, 1990 to December 31, 1990.

Mr. Turpen told the Commission that this parallels the DHL item just acted upon by the Commission to include the conditions placed upon the operator. Essentially it is the same aircraft, the same type of retrofit, essentially the same type of conditions with some slight modification in terms of the date by which they must provide us with a binding contract for the installation of the retrofit.

3. Authorization for Award of North Terminal Shoeshine Stands Lease

No. 89-0243

Resolution approving award of North Terminal Shoeshine Stands lease to North Terminal Shines.

Commissioner Bernstein commented that there was a big difference between the minimum bid of \$25,000 and the actual bid of \$80,000.

Ms. Gittens responded that the minimum bid is set at the pre-bid conference. Staff makes a recommendation and receives reactions at the pre-bid. There is generally very little argument over lowering the minimum bid as it does not effect what the Airport will ultimately be paid.

Mr. Turpen added that if staff set all the bids at where they thought the bids might come in we might reduce participation to a single bidder. Staff tries to set the minimum to encourage participation.

Commissioner Murphy thought there were two sides to this issue. If the minimum is set too low, a reduced bidding climate can result. If the minimum is set too high, no one will bid.

Commissioner Goosby asked how this would be prorated since all three sites would not be ready at the same time.

Ms. Gittens responded that the lease would start at 75 percent.

4. Resolution Approving the Exercise of United Airlines Option to Extend their Lease on Plot 5

No. 89-0244

Resolution approves United option and establishes new rates for Airport Plot 5, consistent with the terms of PUC Lease 18565.

Mr. Turpen said that United has three parcels of property, plots 4, 5 and 6, which run from the North Terminal to Highway 101. Plot 5 is the center parcel which was leased to United under a 20 year lease in 1959 with a 10 year option and a 4.5 year option in United. United has executed their option in a timely manner and it is incumbent upon the Commission, in view of United's compliance with the terms of the lease, to approve the option.

Commissioner Goosby asked if this land would be involved in the new construction.

Mr. Turpen said that it would. He added that all the leases on that property expire in 1993.

Commissioner Murphy commented that the lease indicates that the extended rental rate is the amount mutually agreed upon. He asked what happens if we don't agree.

Ms. Gittens responded that the Commission does prevail but the negotiations must take place in good faith. She said that the Director of Real Estate sets a market rate.

Mr. Turpen added that there have been some protracted discussions in the past between the City's Department of Real Estate and some tenants to achieve an equitable number. He said that he was not aware of any particular disagreement between the parties at the end of those discussions.

Commissioner Duvall asked what the previous lease rate was.

Ms. Gittens responded that 17.5 is the current rate.

Commissioner Duvall asked when the 17.5 was set.

Ms. Gittens responded that it was set 10 years ago.

Commissioner Goosby asked if any other changes are allowed in the agreement.

Ms. Gittens responded that only the rental rate can be negotiated.

5. Bid Call - Contract No. 2062:
Emergency Boat Ramp R/W 28R

No. 89-0245

Resolution approving the scope, budget and schedule for Contract 2062, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

Mr. Turpen explained that this will allow the Airport effective water access to and from the Airport, particularly in terms of an emergency recovery from the Bay.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The following items were adopted unanimously.

6. Bid Call - Contract No. 2245:
International Terminal Cart Road Underpass Drainage Pump Station Improvement

No. 89-0246

Resolution approving the scope, budget and schedule for Contract No. 2245, and authorizing the Director to call for bids and to award this contract to the lowest, qualified and responsive bidder.

7. Award of Contract No. 2258:
Emergency Pavement Repair-1990

No. 89-0247

Resolution awarding Contract No. 2258, Emergency Pavement Repair 1990, to Ghilotti Bros., Inc. in the amount of \$175,000.00.

* * *

G. NEW BUSINESS:

Mr. Turpen asked Dennis Bouey, Deputy Director of Facilities Operations and Maintenance, to brief the Commission on the status of the Childcare Program.

Commissioner Goosby also asked for a briefing on the High School Internship Program.

Mr. Turpen said that Sharon Johnson of the Mayor's Office had been

involved in putting together a task force. Because the Airport has the engineers, the surveyors and cost-estimating people, Dennis Bouey was recruited to be the Airport's representative.

Mr. Bouey told the Commission that due to the earthquake the decision was made to put the Internship Program off until springtime. The principals of the high schools and individuals from the business portions of the program are going to meet in late February. The estimated start-up of the program will be the third or fourth week in March.

Commissioner Goosby said that it was his understanding that John O'Connell Trade School, which has an aircraft program, must relocate due to the earthquake and they are interested in seeking the Airport's help. He explained that the students must have hands-on experience in order for the course to be accredited.

Mr. Bouey told Commissioner Goosby that one of the reasons the program has been delayed is due to the damage suffered by the John O'Connell School. He said that as far as he knows the School District has not contacted the Airport directly.

Mr. Turpen commented that the Airport received a call within the last week. The Airport was asked to provide a site to which O'Connell could relocate its shops and facilities. He suggested that they contact City College which has a facility on the Airport's North maintenance area.

Mr. Bouey added that it was his understanding the John O'Connell School and City College are now in discussions.

Mr. Turpen said that the problem was the additional space O'Connell needed beyond what City College had available. The Airport does not have a lot of space in that area to support their additional requirements. He said that the situation is being addressed but he was not certain that all of their needs could be accommodated.

Mr. Bouey explained that the a Task Force has been set up for the Child Care Center. Sharon Johnson of the Mayor's Office has designated Lynne Bison of that office to sit on the Task Force. The San Mateo County Supervisors have designated two staff members to sit on the Task Force as have the Child Care Coordinating Council of San Mateo, various labor unions and a couple of private architects.

Mr. Bouey explained that the Task Force is split into two subcommittees: Site and Survey. The Site Committee has looked at seven different sites surrounding the Airport but has not yet selected a site. Peninsula Hospital, one of the sites, has made an overture offering their facility. He said that he would guess that it would be the number one or number two choice. He felt that the very fact that they have made an overture to provide the space for a 24-hour child care facility has a lot of appeal. He expected the Site Committee to meet within the next two to three weeks to consider this overture.

Mr. Bouey said that the Survey Committee sent out surveys to all employers on the Airport that had 50 employees or more. The surveys were due back in early September. Unfortunately, United Airlines failed to send out its surveys so the deadline had to be extended to tabulate the results. The Survey Committee has met twice in the last month and another meeting is scheduled for tomorrow to finish the tabulation of the surveys. He said that the actual tabulation has been done by Airport staff and has literally consumed over 1,000 hours.

Mr. Bouey said that the Survey and Site Committees will most likely meet at the very beginning of the year. Once the results of the Committees are concluded the Task Force will most likely meet at the end of January. It is anticipated that Mayor Agnos and a representative of the Board of Supervisors will be invited to this meeting to hear the results and take additional direction.

Commissioner Duvall asked what further participation is anticipated for the Airport.

Mr. Turpen responded that the Airport will continue to participate because we bring the only technical resource to that Committee and because the majority of our employees are from San Mateo County which appears to be where the need is the greatest. He said that the on-Airport sites have not fared well in the survey.

Mr. Bouey responded that one of the standards adopted by the Task Force was the noise limit imposed on schools. He said when a noise contour map was placed on a map of the Airport only two sites appeared to be available. One is on the main roadway as you enter the Airport, which is an unacceptable location. The other is on the West of Bayshore property. He said that the Task Force estimated that it would cost \$20,000 to \$30,000 to prepare the site. The Airport estimated that it would cost considerably more. The Task Force estimated it would cost about \$100,000 to build the facility. The Airport estimated that it would cost closer to \$1-million. He said that the Airport brings a more realistic expectation of the money that will be needed and can perhaps pare down what the Task Force thinks it needs to build.

Mr. Turpen told the Commission that this is a mini Master Plan effort.

Commissioner Duvall said that she was looking for a characterization of the involvement the Airport will have in the continuing program.

Mr. Turpen said that this will be an independently operated facility. The only continuing support the operation will receive from the Airport will be in the form of a communication link with employees. The Airport will not participate beyond that.

Commissioner Murphy asked who will operate the facility.

Mr. Turpen said that that has not been addressed.

Mr. Bouey added that that question has been asked but no answer has been determined. The person now chairing the Task Force Committee is the Chairperson of the Child Care Coordinating Council of San Mateo and she has expressed an interest in being the operator.

Mr. Turpen asked if the Commission's view of the Airport's involvement differed from his view.

Commissioner Duvall did not feel it would be appropriate for the Airport to be care providers. The operation should be handled by professionals in that field. She said that she believed that such a facility offered a direct benefit to the Airport on an extended basis. She believed that such a facility will reduce employee turnover and result in a more stable work force. For those reasons she felt it important for the Airport to have an active position in supporting the on-going program and saw the Airport's involvement in the form of financial support.

Mr. Garibaldi said that the Airport would have a legal problem in providing financial support.

Commissioner Duvall said that she understood but argued that the extended network of employers at the Airport will benefit from this program.

Mr. Turpen agreed that the airlines would benefit.

Commissioner Goosby said that he assumed that the Center would be able to underwrite the facility with the fees being charged the parents.

Commissioner Murphy disagreed.

Commissioner Goosby said that the Airport will also benefit indirectly by the Internship Program. He said that any way that the students in San Mateo and San Francisco counties can be involved in the Airport operation will benefit us. He said that the Commission has been discussing this for the past five or six years.

Commissioner Goosby felt that when the child care issue surfaced five or six years ago they wanted the Airport to subsidize the operation. He said that now that they realize the level of interest this program has and the inadvisability of locating the facility on the Airport because of the noise level, a self-sustaining operation is being envisioned. He thought that program deserved a close look. Commissioner Goosby felt that the Airport has already made a substantial investment in terms of staff time.

Mr. Bouey commented that if it were not for the Airport's support the entire process would be moving much more slowly. He said that he would like to try to accelerate the process as he feels that there is a political demand from both the Mayor and the Board of Supervisors of San Mateo.

Commissioner Goosby asked if the consumers of this service will have to be Airport employees.

Mr. Bouey responded that no such restriction currently exists.

Mr. Turpen said that he was not suggesting that this was cast in concrete however, his conversations have always assumed that the facility will be open to everyone, not strictly Airport employees.

Commissioner Murphy asked how the airlines were persuaded to support the center.

Mr. Turpen said that there is a capital funds issue. From an operating standpoint he hoped that it would become self-supporting. He felt it was a function of the percentage of employees using the facility. He felt certain that there was some way to work that issue from the standpoint of the number of employees participating.

Commissioner Murphy said that he envisioned the Airport's on-going role would be to make sure that the facility is adequately underwritten on an annual basis. He said that the major Airport employers can offer a concessionary rate to their employees if they wish. The Airport cannot put up the money but it can provide the coordination.

Mr. Turpen said that the Airport has pledged to do that.

Commissioner Duvall felt that this needs to be established as an on-going program within our organization or it will fall apart.

Commissioner Goosby said that first we should find out what they are talking about.

Mr. Turpen said that we have tried to put in some structure.

Mr. Bouey said that before the Airport became involved the Child Care Council had an idea of what they were going to do without laying the groundwork. The Airport suggested that a survey be conducted to determine where the real need was. If employees came from the South Bay, a facility in South San Mateo County should be considered over one in North San Mateo County. It could also be used as a marketing tool in selling the airlines on the demonstrated need of their own employees. The other issue is site selection so that a budget can be established for the capitalization. He said that at this point the only determination that has been made is that it will be non-profit. He said that the budget they submitted was suggested by the Airport to be unfeasible.

Mr. Bouey said that all of these issues will have to be addressed by the Task Force. The first issue was to demonstrate to both the employers and to the political entities that there was a need and that we have a site if we can get that far, and then to determine the funds necessary and what kind of shape this will take. He added that where the facility will be built may determine who will participate. For example, if it is built on Peninsula Hospital grounds, there will be some call by their employees to use this facility.

Mr. Turpen said that the Airport has spent 1,000s of hours working on the master plan. This is really the same thing but it has been an additional duty or part time effort on the part of a lot of Airport employees. Now it is beginning to take some focus.

Commissioner Goosby said that he did not want to see San Francisco residents short-changed. He said that a resident who lives in San Francisco and works on the Peninsula should have access to this facility. San Francisco residents expect the Airport and the Commission to look after their interests.

Mr. Turpen agreed. He said that it is a tough issue and the Airport is no expert in this area. We are doing everything possible to support it.

* * *

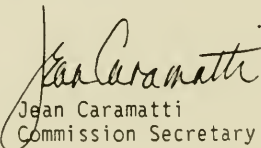
H. CORRESPONDENCE:

There was no discussion by the Commission.

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J. ADJOURNMENT TO GO INTO CLOSED SESSION:

There being no further calendared business before the Commission the meeting adjourned at 9:37 AM to go into closed session.


Jean Caramatti
Commission Secretary

